

**AGREEMENT FOR MATERIAL LEASE and/or SALE OF
MUNICIPALLY OWNED PROPERTY
IN EXCHANGE FOR WORK**

City and Borough of Sitka ("CBS") agrees to lease and/or sell, to Larry Shinn d/b/a/ Aggregate Construction, PO Box 32619, Juneau, Alaska 99803 ("Contractor"), the materials designated in this Agreement for Material Sale and/or Lease of Municipally Owned Property In Exchange for Work ("Agreement"), subject to the following terms and conditions:

SECTION I. DESCRIPTION

- A. LEASE AREA: **Granite Creek Lease Site #7, CBS Parcel 2-6004-000 and further described as a portion of Lot 1 Alaska State Land Survey 3670 encompassing 100,700 square feet.**
- B. TERMS:
1. A prior lease of this area with Contractor was entered into in June 1996 and was extended to June 24, 2011 when it expired.
 2. This Contractor is over 3 years in arrears on lease payments in "holdover status" which was verbally agreed upon by the parties.
 3. This new lease will be seven (7) years, ending June 25, 2021.
 4. Incorporated into the agreement will be an arrangement for Contractor to pay back the holdover value in arrears by performing work in kind (see 5 below).
 5. In exchange for the seven (7) year lease, Contractor agrees to provide the following service for the past due on the three (3) year arrearage holdover:
 - a. Contractor shall pave that portion of Granite Creek Road from the top of the hill to the quarry road access road (approximately 1,600 linear feet). Contractor shall pay for all costs required by and associated with the road paving in lieu of lease cash payment, including costs associated with any claim of liability, requirement to defend or indemnity of CBS associated with the paving;
 - b. No asphalt shall be placed on Granite Creek Road until the City Engineer or designee has inspected and approved a road bed. Contractor shall notify the City Engineer or designee at least 48 hours prior to asphalt placement to schedule inspection during placement by the City Engineer or designee;
 - c. Asphalt shall be placed a minimum 24 feet wide and 3 to 4 inches thick as indicated on the attached exhibit drawing. Asphalt must be laid in full lane widths and not less than 50 linear feet per placement. Asphalt subgrade and surfacing shall meet City and Borough of Sitka Standard Detail 20-1 unless otherwise noted or approved by the City Engineer or designee. Asphalt specifications and placement shall meet City and Borough of Sitka Standard Specifications Division 40; and

- d. Paving shall be substantially completed by June 15, 2015.
- e. In the event that the work, as described above, is not completed or is not completed to specifications, Contractor shall pay \$2,265.75 for each month of use since June 25, 2011 (expiration of past lease in arrearage) and vacate the property within 30 days.

SECTION II. PERFORMANCE BOND

Contractor shall be required to submit a yearly performance bond in the amount of \$5,000 issued by a Surety licensed to do business in Alaska. At the time each year that the pit cross sections are accomplished and Contractor is inspected for adherence to a reclamation plan, the Municipality shall release the prior year performance bond, in writing and accept a new bond for the next year of operation.

The purpose of said bond shall be to correct nonconforming conditions created by the Contractor. An example might be to do necessary reclamation work left undone or otherwise correct site problems such as drainage control. Said bond may also be used to pay for unpaid royalties or other costs fairly owed to the Municipality.

SECTION III. OPERATING REQUIREMENTS

- A. Boundary Lines and Survey Monuments – Upon execution of this lease, the Lessee shall bear the responsibility to have the lease area surveyed and control monuments placed by a registered engineer or land surveyor to fully identify the boundaries. No boundary mark of the sale area or any survey lines nor witness tree to any survey corner or monument, shall be severed or removed, nor shall any survey corner or monument be damaged or destroyed. Any violation of this clause will require the Lessee to bear the expense of re-establishing the lines, corners, or monuments by a registered land surveyor.
- B. Erosion Control and Protection of Waters – Road construction or operations in connection with this contract shall be conducted so as to avoid damage to streams, lakes or other water areas and lands adjacent thereto. Vegetation and materials shall NOT be deposited into any stream or other waste area. Locations and/or improvements such as road crossings over streams shall be approved, in advance, by the Municipality.

All roads or other areas to be abandoned or an area to cease being an active portion of the Lessee's operation shall be treated with such measures to prevent erosion and shall be reclaimed per the required reclamation plan. Any damages resulting from any failure to perform to these requirements shall be repaired by the Lessee to the satisfaction of the Municipality. This includes, but is not limited to waters defined in Title 5 – Fish and Game and Title 6 – Protection to Anadromous Fish; State of Alaska.

- C. Attached and appended to this agreement is Appendix A – Reclamation Plan – Granite Creek Material Site. All lessees shall be responsible for the adherence to said plan. The leaseholder shall demonstrate compliance to said reclamation plan on a yearly basis and substantial non-compliance shall be grounds for termination or cancellation of the affected lease.

- D. Fire Protection – Lessee shall take all necessary precautions for the prevention of wild fires and shall be responsible for the suppression and bear the suppression costs of any and all destructive or uncontrolled fires occurring within or without the contract area resulting from any and all operations involved under the provisions of this contract. The Lessee shall comply with all laws, regulations and rules promulgated by the agency responsible for fire protection in the area.
- E. Roads – Before constructing any haul road, secondary or spur roads across Municipal lands, the Lessee shall obtain written approval of the location and construction standards of such roads from the Municipality.

Access over any route not under Municipal control is the sole responsibility of the Lessee. The Lessee agrees that any permanent route, access or right of way obtained over privately owned property shall include a permanent easement to the Municipality.

- F. The Lessee shall maintain adequate supervision at all times when operations are in progress to insure that the terms and conditions of this contract and all applicable Federal, State and local laws, rules and regulations governing such operations are enforced. At all times, when operations are in progress, the Lessee or a person authorized by him to assume the responsibilities imposed by this contract, shall be present on the contract area.
- G. The terms and conditions of this contract shall apply with equal force upon any agent, employee or contractor designated by the Lessee to perform any or all of the operations of severance, extraction or removal of the materials sold under this contract, and the Lessee shall be liable for non-compliance caused by any such agent, employee or contractor.
- H. The Lessee shall be responsible for the accurate location of operations under this contract, including any survey that may be necessary for such location unless otherwise specified in this contract.
- I. Special Provisions – It is mutually agreed that:
 - a. The Lessee shall coordinate his activities insofar as possible with other Lessees who now or in the future may hold material sale agreements. Before removing material under any roadway or otherwise interrupting access to any other operations, the Lessee shall make arrangements satisfactory to the affected parties for coordinating operations. The affected parties cannot unreasonably withhold such approval if proper alternate arrangements have been made. In the case where the affected parties cannot reach agreement, the Municipality shall be the sole arbitrator to reach a satisfactory result.
 - b. Should the Municipality determine that the operations cause silting or pollution of Granite Creek to a degree unacceptable to the Department of Environmental Conservation, the U.S. Fish and Wildlife Service, after all reasonable attempts have been made to have the Lessee correct the problems, this contract shall be void upon notification to the Lessee by the Municipality. The Lessee shall hold harmless the Municipality from any litigation whatsoever which may result from this action.

- c. At the expiration of this contract, the Lessee shall notify the Director of Public Works, so that an inspection for release can be scheduled. This inspection shall include general clean-up, compliance with the reclamation plan, removal of all Lessees equipment and any other item felt a responsible element of any final inspection.
- d. All responsibilities and liabilities of the Lessee shall remain in effect until this lease contract file shall be closed. This includes cleanup of site and compliance with all contract items.
- e. The lease area may be used for the processing and storage of materials for operations and for the temporary location and operation of an asphalt batching plant, scales, crushers and other such equipment necessary to produce marketable materials products. Other material incidental to the production of asphalt or mineral products such as asphalt, fillers, or coagulants needed for the settlement ponds may be stored on the site, as needed. A temporary small one bay gravel equipment maintenance shop may also be allowed specifically for equipment used at the site.

Granite Creek is, in fact, a long term source of gravel and other mineral products. As such, it is not a contractor's storage yard area. Permanent or long term improvements such as garages and shops or other type buildings and uses shall NOT be allowed. Further, storage of materials not associated with operation/maintenance of the lease area shall NOT be allowed.

- f. Except for those portions of the operation which are associated with low noise levels such as maintenance of equipment, the Lessees operations shall be confined to the hours of 7:00 A.M. to 7:00 P.M. daily. The Municipality reserves the right to restrict operations on weekends and holidays.
 - g. If the Lessee is forced to end, restrict or curtail his operations due to State or Federal law or regulations or for any other cause over which the Municipality has no control, the Municipality shall have no liability, whatsoever.
- J. Lessee may not assign its rights under this lease or allow other parties to operate on the site without prior written approval of the Municipality.

Prior to the approval of any such sub-lease, the Municipality shall be provided with all the terms of the proposed assignment or agreement. If such terms are deemed inflationary or of such a type to be considered a total abandonment of further interest in the lease by the original party, the assignment may be denied.

- K. There is a grievance board established consisting of all material Lessees in the Granite Creek Quarry and the Municipal Director of Public Works to handle problems arising between Lessees in the area. This board shall attempt to reach agreement among all Lessees. Unsolvale disputes shall be brought before the Administrator and/or to the Assembly for final decision. (See Section IV, 9,a.)
- L. Maintenance of the main road, culverts and other such improvements providing access or available for common use by all Lessees shall be maintained by the Lessees at no expense to the Municipality.

- M. Maintenance of access roads within the lease area as well as ponding and drainage to limit leachates, sediment load and turbidity entering Granite Creek shall be maintained by the Lessee at no expense to the Municipality.
- N. Siltation of Granite Creek and associated tributaries is to be minimized. Therefore, no earthmoving will be allowed during heavy rains, and the Lessee will, at their own expense, provide all proper drainage and routine settlement ponds for permanent uses. This is covered in the Reclamation Plan, as attached.
- O. Lessee shall maintain regulatory compliance to include submit/update a Storm Water Pollution Prevention Plan (SWPPP) for all activities on site as required.
- P. The Lessee shall adhere to all State and local regulations regarding the storage and handling of explosives.

SECTION IV. LIABILITY AND INDEMNIFICATION

The Contractor shall indemnify CBS and hold it harmless from any and all claims, demands, suits, loss, liability and expense for injury to or death of persons and damage to or loss of property arising out of or connected with the exercise of privileges granted the Contractor by this Agreement, or arising out of any incident whatsoever which may occur on the lease site or commonly used facility. This includes but is not limited to damage to power lines, poles, and facilities, telephone lines and poles, survey monuments, roads, bridges and culverts, pollution and/or damage to water systems, or personal injury.

SECTION V. INSURANCE

- A. CBS shall be named as an additional insured on Contractor's Comprehensive Liability Insurance Policy.
- B. The Contractor shall carry Workers Compensation Insurance covering all employees and shall also carry \$1,000,000 general liability insurance, naming CBS as an additional insured, and take such measures as are reasonable to protect the general public from injury on the site.

SECTION VI. IMPROVEMENTS AND OCCUPANCY

- A. Any improvements or transportation facilities including crushers, mixing plants, buildings, bridges, roads or any other constructed by the Contractor in connection with this lease and within the lease area, shall be in accordance with plans approved by CBS. Improvement and facility safety (both design & operation) shall be the responsibility of the Contractor not CBS. Contractor agrees to follow all applicable safety codes and regulations.
- B. The Contractor shall, within sixty (60) days, after the expiration of termination date of this lease, remove all equipment and other personal property from the lease area.

SECTION VII. INSPECTION

- A. Authorized agents of CBS shall have access at all times to the lease area

- B. At all times, when construction or operations are in progress, the Contractor shall have a representative readily available at the site of operations who shall be authorized to receive on behalf of the Contractor, any notices and instructions given by authorized CBS personnel in regard to the performance under this contract, and to take such action thereon as is required by the terms of this contract.

SECTION VIII. TERMINATION AND SUSPENSION

- A. The lease may be terminated by CBS if the Contractor breaches the Agreement and fails to correct this breach within thirty (30) days after written notice is served upon the Contractor.
- B. Failure of the Contractor to take immediate action to correct unwarranted damage to natural resources may be corrected by CBS to prevent additional damage. Any cost incurred by CBS shall be paid by the Contractor.
- C. This lease may be terminated by mutual agreement of both parties on terms and conditions agreed upon, in writing by both parties.

SECTION IX. RESERVATIONS

- A. CBS reserves the right to utilize the site during the term of this lease.
- B. CBS reserves the right to permit other compatible uses, including the sale of materials on the lands near the lease area, provided that CBS determines that such uses will not unduly impair the Contractor's operations under this contract.

SECTION X. PERMITS

- A. Any permits necessary for operations under this Agreement shall be obtained by the Contractor prior to commencing such operations.
- B. All operations shall be in accordance with CBS Conditional Use Permit (attached to lease), as it now exists or modified in the future.

SECTION XI. PASSAGE OF TITLE

All rights, title and interest in or to any material included in this lease shall remain with CBS until it has been paid for, or removed from the site, provided however, that the right, title and interest in or to any material which has been paid for, but not removed from the sale area by the Contractor within the period of the lease or any extension thereof shall vest in CBS upon completion of the Agreement term.

SECTION XII. WARRANTIES

THIS AGREEMENT IS MADE WITHOUT ANY WARRANTIES BY CBS, EXPRESS OR IMPLIED, AS TO THE QUANTITY, QUALITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE, CONCERNING THE MATERIAL TO BE EXTRACTED UNDER CONTRACT.

SECTION XIII. WAIVER

No agent, representative or employee of CBS has authority to waive any provision of this agreement unless expressly authorized to do so, in writing, by the Municipal Administrator.

SECTION XIII. AMENDMENT AND AUTHORITY

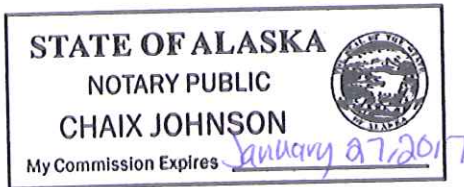
No amendment of this Agreement shall be effective as against CBS unless the Municipal Administrator executes a written amendment on behalf of the Assembly. Each person affixing his or her signature on this Agreement represents by such act that he or she has the legal authority to bind legally any organization or entity he or she purports to bind.

Larry Shinn d/b/a Aggregate Construction

[Signature]
Print Name: LARRY P. SHINN
Title: PRES.

STATE OF ALASKA)
) ss
FIRST JUDICIAL DISTRICT)

On this 18th day of May, 2015, before me, a Notary Public in and for the State of Alaska, personally appeared Larry Shinn, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who states under oath by signing this document that he has the authority to sign the Purchase Agreement and does so freely and voluntarily.



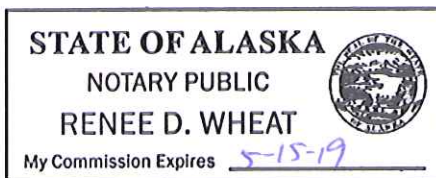
Chaix Johnson
Notary Public for Alaska
My Commission Expires: January 27, 2017

CITY AND BOROUGH OF SITKA

[Signature]
Mark Gorman
Municipal Administrator

STATE OF ALASKA)
) ss
FIRST JUDICIAL DISTRICT)

On the 28 day of May, 2015, before me, a Notary Public in and for the State of Alaska, personally appeared Mark Gorman, Municipal Administrator of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, and by signing this document verifies that he has been authorized to execute this document on its behalf, and he signs freely and voluntarily.



[Signature]
Notary Public for Alaska
My Commission expires: 5/15/19



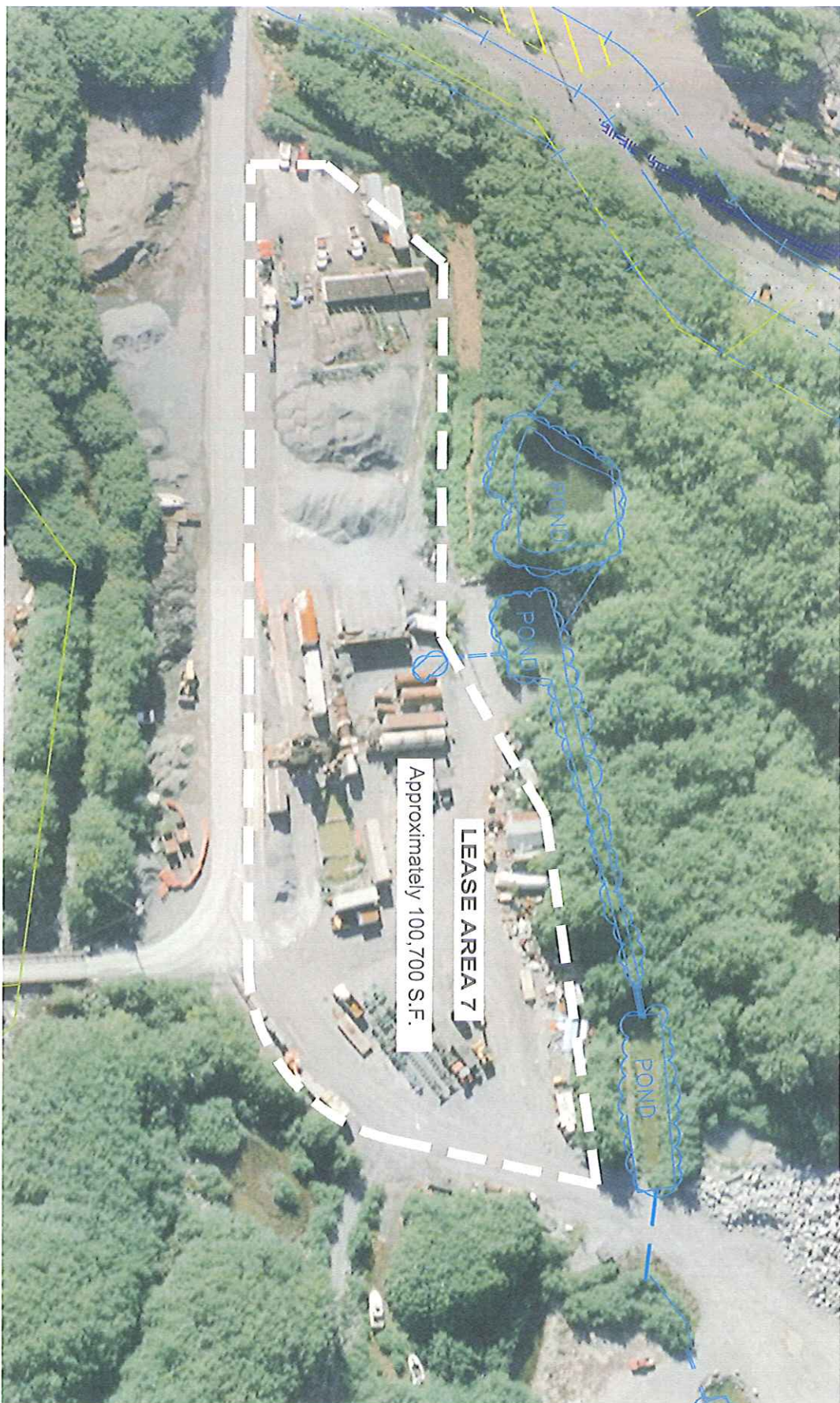
City and Borough of Sitka

DEPARTMENT OF PUBLIC WORKS

100 LINCOLN STREET • SITKA, ALASKA 99835

TEL (907) 747-1804 FAX (907) 747-3158

GRANITE CREEK LEASE AREA 7



DRAWN:

JUH

SCALE = 100'

CHECKED:

D. Tadic

DATE: 12.22.2014


DRAWING

NAME: LeaseArea7.dwg

SHEET NO. 1 / 1

Memorandum

TO: Dan Tadic, Municipal Engineer
Michael Harmon, Public Works Director

FROM: Randy Hughes, Assessing Director 

SUBJECT: Valuation of a proposed land lease identified as Granite Creek Lease Site #7, CBS Parcel 2-6004-000, and further described as a portion of Lot 1 Alaska State Land Survey 3670.

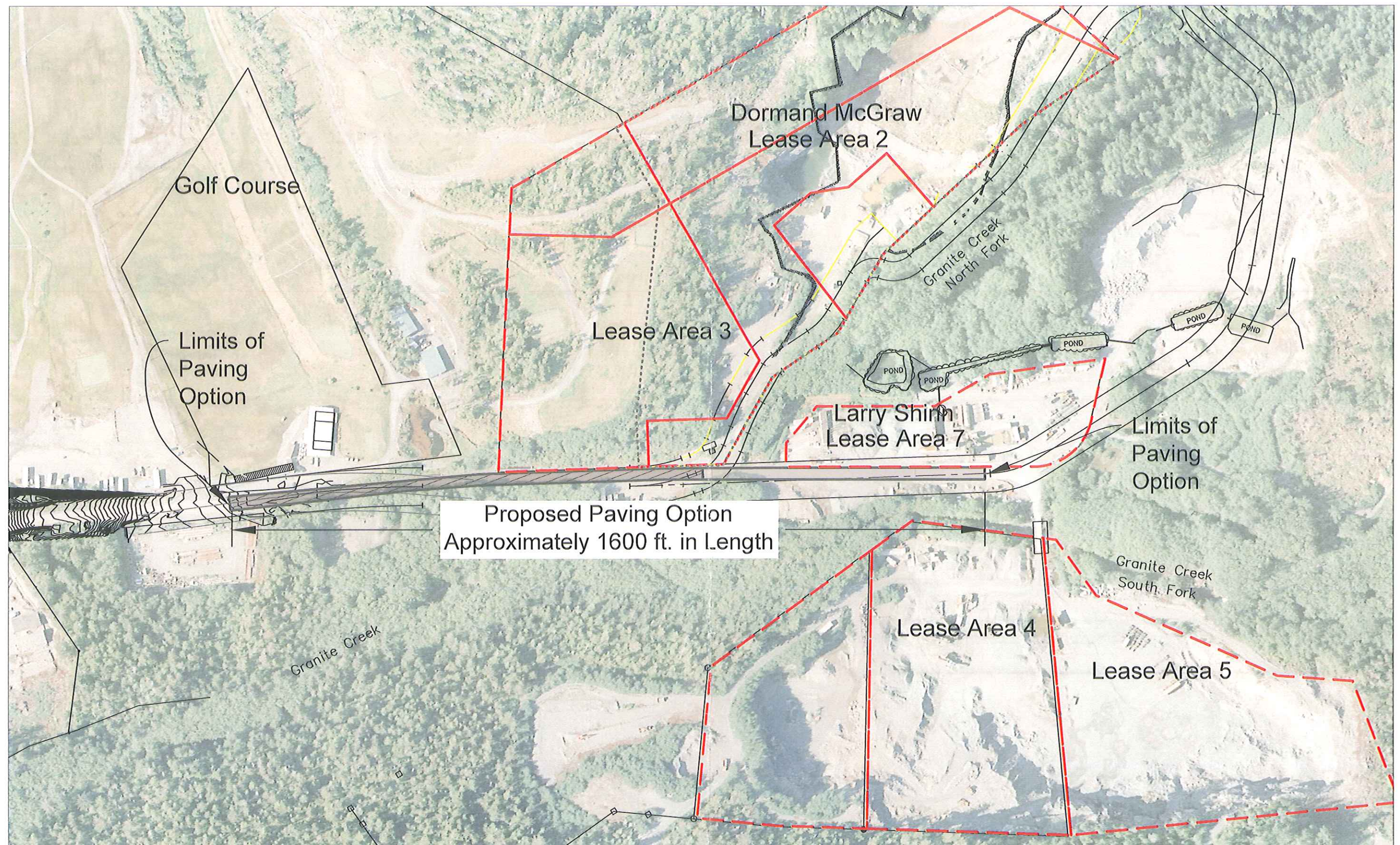
DATE: March 30, 2015

Per your request, I did review existing assessments of large parcels near the proposed lease site. These parcels are assessed at approximately \$3.00 per square foot.

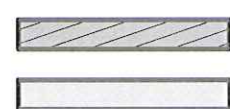
The lease area proposed is 100,700 square feet, I would assess the land value to be \$302,100 (100,700 square feet X \$3.00 = \$302,100).

The annual rent would be \$27,189 (\$302,100 X .09 = \$27,189).

The monthly rent would be \$2,265.75 (\$27,189 / 12 = \$2,265.75).



0 200 400 Feet



1000' 4" Thick
600' 3" Thick



City and Borough of Sitka
DEPARTMENT OF PUBLIC WORKS
100 LINCOLN STREET • SITKA, ALASKA 99835
TEL (907) 747-1804 FAX (907) 747-3158

Lease Area 7
Paving Limits

DRAWN: JUH	SCALE: 1" = 200'
CHECKED: D. Tadic	DATE: 03/06/2015
DRAWING NAME: LeaseArea7	
SHEET NO. 1 / 1	



CERTIFICATE OF LIABILITY INSURANCE

AGGRE-1

OP ID: LM

DATE (MM/DD/YYYY)

05/21/15

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Griffin MacLean, Inc. 2300 130th Ave NE A203 Bellevue, WA 98005 Griffin Maclean Alaska	425-822-1368	CONTACT NAME: Laura Kovarik	
	425-822-2737	PHONE (A/C, No, Ext): 425-822-1368	FAX (A/C, No): 425-822-2737
		E-MAIL ADDRESS: laura@griffinmaclean.com	
		INSURER(S) AFFORDING COVERAGE	NAIC #
		INSURER A: Alaska National Insurance Co.	38733
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X		15CLS55259	03/22/15	03/22/16	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			15CAS55259	03/22/15	03/22/16	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB		X				EACH OCCURRENCE \$ AGGREGATE \$
A	<input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	15CWS55259	03/22/15	03/22/16	WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Contractor's Equip	X		14CIE55259	03/22/15	03/22/16	Equipment 250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Granite Creek Lease Site #7, CBS Parcel 2-6004-000 and further described as a portion of Lot 1 Alaska State Land Survey 3670 encompassing 100,700 square feet; City and Borough of Sitka are included as additional insured as respects to the above noted project. Coverage is Primary and Non-Contributory. Waiver of Subrogation applies.

CERTIFICATE HOLDER SITKACI City and Borough of Sitka 100 Lincoln Street Sitka, AK 99835	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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LEASE/CONTRACT BOND

BOND # LSM0708422

KNOW ALL MEN BY THESE PRESENTS, That we, AGGREGATE CONSTRUCTION, INC.

as Principal, and RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois and as Surety, are held and firmly bound unto CITY AND BOROUGH OF SITKA

, as Oblige, in the full and just sum of FIVE THOUSAND AND 00/100 (\$ 5,000.00) dollars, lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, our heirs, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a lease agreement dated MAY 18, 2015 with the CITY AND BOROUGH OF SITKA, as Obligee, such lease by reference made a part hereof, for rental of certain property described therein; and

WHEREAS, the Principal has been required to file a bond in the sum of the above amount, to guarantee compliance with all terms and conditions of Lease/Contract, issued under Application/Agreement No. _____ including the payment of all sums due the Obligee by reason of operations under Lease/Contract.

NOW, THEREFORE, if the principal shall comply with all terms and conditions of said Lease/Contract as set forth in the preceding paragraph, then this obligation is to be void, otherwise to remain in full force and effect.

The effective date of this bond shall be from MAY 20, 2015 to MAY 20, 2016. This bond may be canceled by the Surety for any reason by giving written notice to the Obligee and the Principal. Such cancellation shall be effective forty five (45) days from the Obligee's receipt of said notice. The cancellation of this bond within the effective period of this bond shall not be considered a breach of the Lease/Contract and shall not cause any liability under this bond. The surety has no obligation to renew or replace this bond for further periods, and any failure of the principal to provide bonds shall not cause any liability under this bond.

Regardless of the length of time this bond shall continue to be in effect, the aggregate liability of the surety shall not exceed the amount of the bond. The penalty of the bond shall not be extended without prior written consent of the surety. No suit may be brought on this bond after one year from the expiration or effective date of cancellation of this bond, whichever occurs first.

SEALED with our seals and dated this 20TH day of MAY, 2015.

AGGREGATE CONSTRUCTION, INC.

Principal

Signature of Principal

Surety RLI INSURANCE COMPANY

Laura Kovarik
Attorney-in-Fact LAURA KOVARIK

[Faint, illegible text covering the majority of the page, likely bleed-through from the reverse side.]





RLI Insurance Company
9025 N. Lindbergh Dr. Peoria IL 61615
Phone: (309)692-1000 Fax: (309)683-1610

POWER OF ATTORNEY

RLI Insurance Company

Bond No. LSM0708422

Know All Men by These Presents:

That RLI Insurance Company, corporations organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: Laura Kovarik in the City of Bellevue, State of WA, as Attorney In Fact, with full power and authority hereby conferred upon him/her to sign, execute, acknowledge and deliver for and on its behalf as Surety, in general, any and all bonds, undertakings, and recognizances in an amount not to exceed Ten Million Dollars (\$10,000,000) for any single obligation, and specifically for the following described bond.

Principal: Aggregate Construction, Inc.
Obligee: City & Borough of Sitka
Type Bond: Performance Bond for Material Lease
Bond Amount: \$5,000.00
Effective Date: May 20, 2015

RLI Insurance Company further certify that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, RLI Insurance Company have caused these presents to be executed by their Vice President with their corporate seal affixed this 20th day of May, 2015.

ATTEST:

Cynthia S. Dohm
Cynthia S. Dohm Assistant Secretary



RLI Insurance Company

Roy C. Die
Roy C. Die Vice President

On this 20th day of May, 2015 before me, a Notary Public, personally appeared Roy C. Die and Cynthia S. Dohm, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as Vice President and Assistant Secretary, respectively, of the said RLI Insurance Company, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Jacqueline M. Bockler
Jacqueline M. Bockler Notary Public

