

# **LEASE AGREEMENT**

**BETWEEN**

**THE  
CITY AND BOROUGH OF  
SITKA, ALASKA**

**AND**

**NORTHLINE SEAFOODS LLC  
BLOCK 4, LOT 4, GPIIP**

**NORTHLINE SEAFOODS LLC SEAFOODS LLC  
TIDELANDS LEASE AGREEMENT**

The City and Borough of Sitka (“CBS” or “Lessor”) and Northline Seafoods LLC Seafoods, LLC (“Northline Seafoods LLC” or “Lessee”), collectively referred to as the “Parties,” enter into this Northline Seafoods LLC Seafoods, LLC Tidelands Lease Agreement (“Lease”), based on terms and conditions set out in this “Lease,” and as approved by the Gary Paxton Industrial Park Board on December 13, 2017.

**WHEREAS**, the Lessor is the owner of certain tidelands directly in front of Block 4, Lot 4 of the Gary Paxton Industrial Park (“GPIP) in Sitka, Alaska, comprising approximately 20,000 square feet in Alaska Tidelands Survey No. 6, and graphically represented on attached Exhibit A, hereafter referred to as the “Subject Property.”

**NOW THEREFORE**, based on the consideration set out below, the Lessor and Lessee agree to the following terms and conditions:

1. Lessor leases to the Lessee, on a month to month term, effective January 1, 2018, which is concurrent with Lessee’s lease of Block 4, Lot 8a, at the GPIP, being terminable at the will of Lessor by giving Lessee no more than thirty (30) days prior written notice of intent to terminate. The Subject Property is described as:

Approximately 20,000 square feet within the boundaries of Alaska Tidelands Survey No.6 as shown on Exhibit A (Section of Plat 2008-27, Sawmill Cove Industrial Park Subdivision No.1; US. Survey 3551, 2797 and ATSTNo.6). Shown as Tidelands lease No. 2, Lot 1, Block 1.

2. Lessee, in consideration of this Lease, agrees as follows:
  - a. Lease payments shall be made monthly to the Lessor. The lease payments shall be \$150 per month (\$1,800 per year), which is the equivalent of 4.5% of the value of the Subject Property that is valued at \$40,000. Payments for the Tidelands Lease shall be submitted with monthly rent payments for Block 4, Lot 8a and this Lease shall run concurrent with the Lease of Block 4, Lot 8a.
  - b. Lessee shall pay sales tax to the City and Borough of Sitka, based on the amount of each monthly lease payment.
  - c. Lessor hereby acknowledges the timely receipt of all Lease payments from January 1, 2018, through August 1, 2018. All Lease payments shall be made on or before the 1<sup>st</sup> day of the month for each month of the Lease term.
  - d. The Lease may not be assigned or sublet by the Lessee without the consent of the Lessor, which consent shall not be unreasonably withheld, and provided that nothing herein prevents Lessee from contracting with any third party (even through a lease) for the use of the improvements on the leased land.

- e. If the full Lease payment is not paid on time, and Lessee fails to remedy the default within thirty (30) days after receipt of a written notice of any such lease payment arrears, the Lessor may immediately, or at any time thereafter while such default continues, terminate the lease, repossess the Subject Property, enter on Subject Property, expel Lessee and those claiming right to possession or to be on the Subject Property based on the rights of the Lessee, and remove Lessee's effects (forcefully if necessary) without being guilty of any trespass. These rights are in addition to any other rights and remedies, without prejudice, which might otherwise be used for arrears or lease payments, proceedings on breach of agreement or collection on arrears.
- f. The Lessee agrees to pay any Local Improvement District assessments that may be levied against the Subject Property to the same extent and in the same amount as if the Lessee were the owner of the Subject Property that would be included in the Local Improvement District to be formed or contemplated. The Lessee shall share the Lessor's right as owner in all proceedings under the Local Improvement District (except for payment of assessments) in proportion that the remaining years of the lease bear to twenty (20). (For example: If the lease has five (5) years to run, the Lessee shall have the right to exercise 5/20ths of the Lessor's vote and the Lessor, 15/20ths.)

3. The Parties mutually agree as follows:

- a. The terms and conditions herein contained shall apply to and bind the heirs, successors, and agents of the respective Parties.
- b. Waiver by Lessor of any term or condition setout in this Lease shall not be considered a waiver of any subsequent breach of said term or condition.
- c. Other than due to negligence by CBS, lessee agrees to hold harmless, insure and indemnify the Lessor from any liability for property damage or personal injury to any person or persons on or about the Subject Property and to carry and provide proof of liability insurance in the amount of \$1 million dollars, with the Lessor as an additional named insured. Northline Seafoods LLC is responsible for any damage to the CBS (and Northern Southeast Regional Aquaculture Association, (aka NSRAA) outfalls which are located close to the Tidelands lease area and any damages incurred will be rectified Northline Seafoods LLC to the specifications agreed upon by CBS and NSRAA. Lessee is not responsible for negligence on the part of the Lessor.
- d. At any termination of the Lease, Lessee will be responsible for removal of any improvements including but not limited to, access ramps, floating docks, mooring buoys and anchors. If the improvements are not removed in a timely manner, Lessee shall repay the Lessor for all expenses incurred by such removal.
- e. CBS, as owner of this property of Tidelands, reserves the right to allow ingress and egress across this property by CBS and other parties, when it will not

interfere with actual operations of any Northline Seafoods LLC vessels or tie up to Northline Seafoods LLC buoys. Both parties agree in good faith to give as much advance notice as possible for such activity so there is no disruption of business.

- f. Each Party to the Lease represents that its representative or agent who signs and executes the Lease has been delegated and is authorized to legally bind each Party regarding this Lease.
  - g. Lessee shall throughout any term of this Lease Agreement, at Lessee's sole expense, promptly comply with all the laws and ordinances and the orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards, and officers (whether or not the same require structural repairs or alterations) and all other legal requirements that may be applicable to the use of the Subject Property. Nothing in the foregoing sentence shall be deemed to relieve Lessor of its general obligations in its municipal capacity.
  - h. Each party agrees that for purposes of this lease and any subsequent sale, CBS retains all utilities, both known and unknown, and retains a utility easement to access, protect, maintain and use said utilities. No buildings or structures shall be built over or within 10 feet of a utility. Each party understands that at GPIP, the exact location of some underground utilities have not been identified or located. The lessee agrees to bear the sole cost of the removal or relocation of any utilities, both known or unknown, which is necessitated by Lessee's activities. Any property placed over a known utility without express permission of CBS, may be removed by CBS, with lessee to bear the sole cost of such removal.
  - i. Lessee shall be responsible for obtaining all necessary permits and approvals for its activities unless otherwise specifically allowed by Lessor.
  - j. CBS will allow Northline Seafoods LLC to use the existing mooring dolphins (former Pulp Mill infrastructure) on the understanding that:
    - i. The Dolphins are in as-is/where-is condition.
    - ii. CBS will not warrantee the condition of current mooring dolphins.
    - iii. Northline Seafoods LLC will indemnify the CBS for use of the mooring dolphins and waive rights to pursue any claim against the CBS for use of the mooring dolphins.
  - k. Should the Block 4, Lot 8a lease be terminated without liability of Lessee to pay additional rent, then Lessee shall be entitled to terminate this Tidelands Lease Agreement with no obligation to make additional lease payments.
4. Nothing in this agreement supersedes voids or modifies any previous agreements between the Parties.

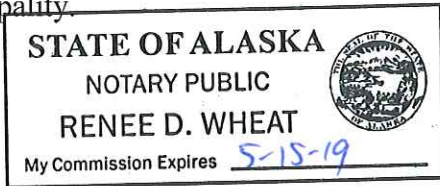
Date 8/30/18 <sup>Feb</sup>  
9/4/18

**CITY AND BOROUGH OF SITKA, ALASKA**

[Signature]  
By: P. Keith Brady  
Its: Municipal Administrator

STATE OF ALASKA )  
 ) ss.  
FIRST JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of September, 2018, by P. Keith Brady, Municipal Administrator of the CITY AND BOROUGH OF SITKA, ALASKA, an Alaska home rule municipality, on behalf of the municipality.



[Signature]  
Notary Public in and for the State of Alaska  
My commission expires: 5-15-19

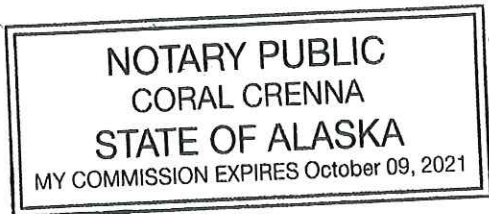
Date 8/30/18

**NORTHLINE SEAFOODS LLC**

[Signature]  
By: Gene Glaab  
Its: Member

STATE OF ALASKA )  
 ) ss.  
FIRST JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this 30 day of August, 2018, by Gene Glaab, Member for the NORTHLINE SEAFOODS LLC, an Alaska limited liability company, on behalf of the company.



[Signature]  
Notary Public in and for the State of Alaska  
My commission expires: 10/9/21

**CERTIFICATE OF OWNERSHIP AND DEDICATION**

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AND THAT WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE \_\_\_\_\_ OWNER \_\_\_\_\_ (SIGNATURE)  
 DATE \_\_\_\_\_ OWNER \_\_\_\_\_ (SIGNATURE)

**NOTARY'S ACKNOWLEDGMENT**

US OF AMERICA  
 STATE OF ALASKA  
 CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED \_\_\_\_\_

TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND \_\_\_\_\_ ACKNOWLEDGED TO ME THAT \_\_\_\_\_ SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

MY COMMISSION EXPIRES: \_\_\_\_\_

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

**CERTIFICATE OF PAYMENT OF TAXES  
 (STATE OF ALASKA)  
 (FIRST JUDICIAL DISTRICT)**

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, HEREBY CERTIFY THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY & BOROUGH OF SITKA, IN THE NAME OF \_\_\_\_\_

AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LOTS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL, THAT CURRENT TAXES FOR THE YEAR 20\_\_\_\_ WILL BE DUE ON OR BEFORE AUGUST 31, 20\_\_\_\_ DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_

ASSESSOR, CITY AND BOROUGH OF SITKA

**CERTIFICATE OF APPROVAL BY THE BOARD**

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. \_\_\_\_\_ DATED \_\_\_\_\_, 20\_\_\_\_, AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE \_\_\_\_\_ CHAIRMAN, PLATTING BOARD

SECRETARY \_\_\_\_\_

**CERTIFICATE OF APPROVAL BY THE ASSEMBLY**

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AS RECORDED IN MINUTE BOOK \_\_\_\_\_ PAGE \_\_\_\_\_ DATED \_\_\_\_\_, 20\_\_\_\_, AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

DATE \_\_\_\_\_ MAYOR \_\_\_\_\_  
 CITY AND BOROUGH CLERK \_\_\_\_\_

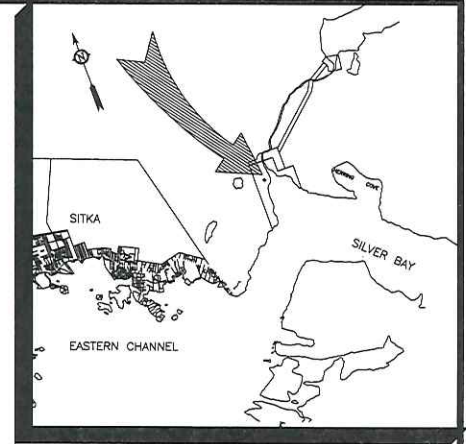
**CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT**

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF \_\_\_\_\_

CALL OWNERS OF RECORD, AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.I.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_, AT SITKA, ALASKA.

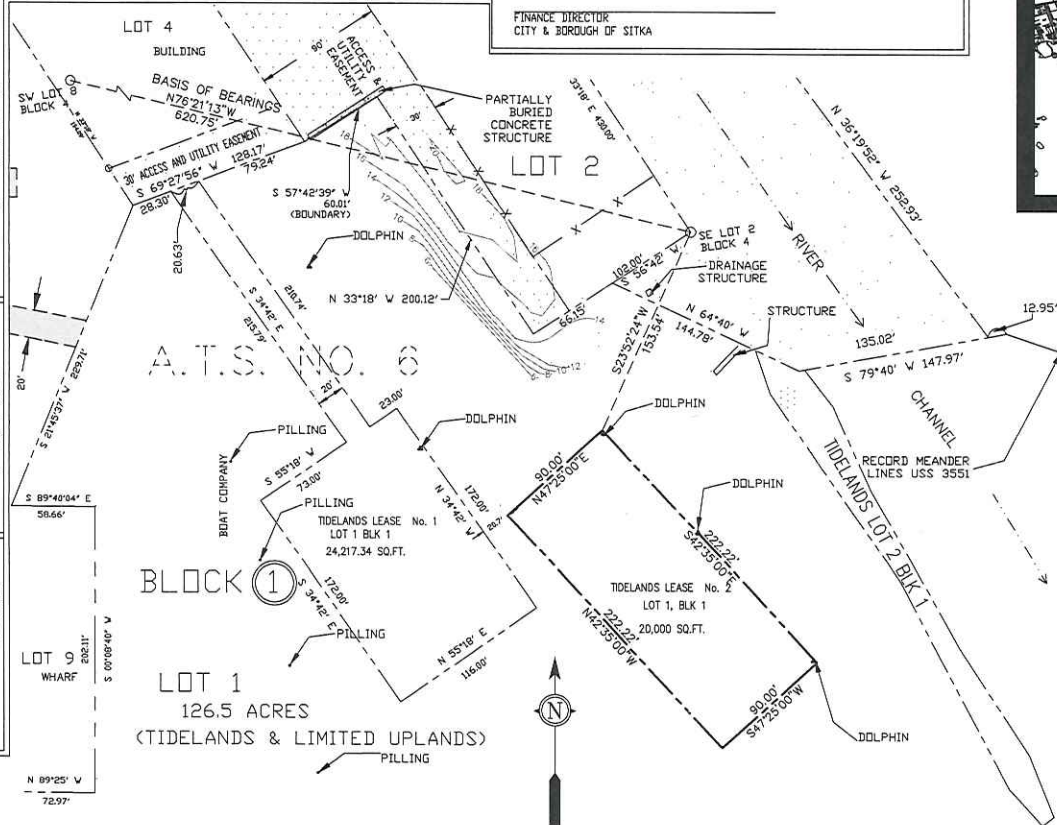
FINANCE DIRECTOR  
 CITY & BOROUGH OF SITKA



**VICINITY MAP**  
 SCALE 1"=1 MI.

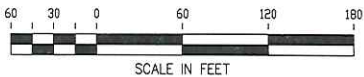
**LEGEND**

- ⊕ PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
- ⊕ BLM/GLD PRIMARY BRASS CAP (RECOVERED)
- SECONDARY MONUMENT (SET)
- SECONDARY MONUMENT (RECOVERED)
- (R) RECORDED DATA
- (C) COMPUTED DATA
- (M) MEASURED DATA



**NOTES**

THE PURPOSE OF THIS PLAT IS TO CREATE A 20,000 SQUARE FOOT TIDELANDS LEASE IN LOT 1, BLOCK 1, OF ATS No. 6.



**PRELIMINARY**  
 SITKA RECORDING DISTRICT

**O'NEILL**  
 SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835  
 PHONE: (907) 747-6700  
 FAX: (907) 747-7590  
 EMAIL: onellengr@ak.net

BY	DATE	REV.	DESCRIPTION OF CHANGE
RECORD OF REVISIONS			



DESIGNED: P. O'NEILL  
 DRAWN: MAR/SCAR  
 CHECKED: PBO  
 DATE OF PLAT: SEPT 2015  
 SCALE: 1" = 60'  
 DRAWING NAME: 30014-204  
 PROJECT NO: 30014-204

**SURVEYOR'S CERTIFICATE**  
 I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN \_\_\_\_\_ A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

DATE \_\_\_\_\_ PATRICK K O'NEILL LS 6304

**TIDELANDS LEASE No. 2**  
 LOT 1, BLOCK 1, SAWMILL COVE INDUSTRIAL PARK RESUBDIVISION No. 1 (ATS No. 6)