

**SAMSON TUG AND BARGE COMPANY
TIDELANDS LEASE AGREEMENT**

The City and Borough of Sitka (“CBS” or “Lessor”) and Samson Tug and Barge Company (“Lessee”), collectively referred to as the “Parties,” enter into this Tidelands Lease Agreement (“Lease”), based on the terms and conditions set out in this “Lease,” and as approved by the City and Borough of Sitka Administrator.

WHEREAS, the Lessor is the owner of certain tidelands seaward of 5309 Halibut Point Road in Sitka, Alaska, comprising of approximately 4.52 acres of tidelands known as ATS 1571, hereafter referred to as the “Subject Property;” and

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

1. Lessor leases to the Lessee, on a month to month basis, cancelable by the Lessor on thirty days’ notice, the Subject Property described as:
ATS 1571 consisting of approximately 4.52 acres
2. Lessee, in consideration of this Lease, agrees as follows:
 - a. Lease payments shall be made monthly to Lessor. The monthly lease payments shall be one-twelfth of \$11,144 plus tax per month.
 - b. The Lessee shall be subject to any adjustment to rent as set out in any subsequent amendment to SGC Section 18.16.210.
 - c. Lessee shall pay sales tax to the City and Borough of Sitka, based on the amount of each monthly lease payment.
 - d. The first month’s payment is due on the date the Lease is signed and executed by all of the parties to the Lease. All subsequent payments shall be made by that same date each month.
 - e. The Lease may not be assigned or sublet by the Lessee without the written consent of the Lessor.
 - f. If the full lease payment is not timely paid, and Lessee fails to remedy default within thirty (30) days after receipt of 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 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.

- g. Lessee shall comply with all conditions of approval for the bulk fuel facility conditional use permit.

3. The Parties mutually agree as follows:

- a. Lessee acknowledges and agrees that they are solely responsible for acquiring and maintaining any and all municipal, state and federal permits as required by the use of the subject property.
- 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. Lessee agrees to hold harmless, insure, defend, 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 such amounts as may be agreed to between the parties to cover such liability, with the Lessor as an additional named insured and containing a waiver of subrogation against the Lessor.
- e. If Lessee occupies the Subject Property after the expiration date of this Lease without the consent of the Lessor, such possession shall be construed as monthly tenancy and Lessee shall monthly pay Lessor the amount of the rent paid during the last month of the Lease until the Lease is terminated by the Lessor.
- f. The Lessee may terminate the Lease upon giving the Lessor thirty (30) days prior written notice.
- g. At any termination of the Lease, all improvements placed on the Subject Property and attached to the land so as to become part of the real property by common law definition shall become the property of the Lessor.
- h. 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.

George Baggen, CEO/Owner, Samson Tug and Barge

Phillip Messina, Interim Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2017, _____ and _____, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, signs this Lease Agreement as George Baggen and affirms by signing this document to be authorized to sign on behalf of Samson Tug and Barge Company and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2017, Phillip Messina, Interim Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, signs this Lease Agreement on its behalf, and affirms by signing this document to be authorized to sign on its behalf, and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____