

**CITY AND BOROUGH OF SITKA**

**RESOLUTION NO. 2015-05**

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA APPROVING  
THE SALE OF BLOCK 4, LOT 12A, LOT 13 and BLOCK 4, LOT 11 BUILDING AND  
PROPERTY CONTAINING THE FORMER WATER TREATMENT PLANT AT GARY  
PAXTON INDUSTRIAL PARK TO SILVER BAY SEAFOODS, LLC, AND  
AUTHORIZING THE MUNICIPAL ADMINISTRATOR TO SIGN THE AGREEMENTS**

**WHEREAS**, the Assembly established Gary Paxton Industrial Park (“GPIP”) in Sitka General Code (“SGC”) 2.38 by Ordinance 00-1568; and

**WHEREAS**, Ordinance 00-1568 states: “PURPOSE. Unlike other property owned by the municipality, the former Alaska Pulp Corporation mill site was acquired not for governmental purposes from the state or federal government, but for economic development and disposal. In general the property will not be used for public improvements. It will be leased or sold to individuals and corporations to develop business opportunities and provide jobs. For that reason, it is important to enact a procedure for property management and disposal at the site which more closely corresponds to private sector disposals;” and

**WHEREAS**, SGC 2.38.020 established the GPIP Board of Directors (“Board”) which “. . . shall generally exercise all powers necessary and incidental to operation of all GPIP facilities in the public interest and in a sound business manner . . . .;” and

**WHEREAS**, SGC 2.38.080A.7 provides that the Board shall “. . .dispose of tideland, submerged land and all other land . . . subject to Gary Paxton Industrial Park administration. . .,” and in SGC 2.38.080A.7.a states that “any sale . . . shall be subject to approval of the Assembly by resolution;” and

**WHEREAS**, the Board received a property purchase proposal from Silver Bay Seafood regarding the above described property; and

**WHEREAS**, the Board reviewed and evaluated the submitted proposal and determined that the proposal was acceptable; and

**WHEREAS**, the Board recommends to the Assembly to sell BLOCK 4, LOT 12A, LOT 13 and BLOCK 4, LOT 11 BUILDING AND PROPERTY, and accept the proposal submitted by SBS; and

**WHEREAS**, the attached Purchase And Sales Contract Between City And Borough Of Sitka And Silver Bay Seafoods, LLC (“Agreement”) has been modeled after other GPIP purchase agreements; and


**WHEREAS**, SBS is offering to pay \$643,000 for BLOCK 4, LOT 12A, LOT 13; and

**WHEREAS**, SBS is offering to pay \$319,000 for BLOCK 4, LOT 11 BUILDING AND PROPERTY; and

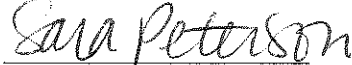
**NOW, THEREFORE, BE IT RESOLVED** that the Assembly for the City and Borough of Sitka approves the sale, and authorizes the Municipal Administrator to execute the Purchase Agreement in substantially the same form as attached, which contains in part the following key provisions:

- 1) CBS will sell to SBS property BLOCK 4, LOT 12A, LOT 13 and BLOCK 4, LOT 11 BUILDING AND PROPERTY, subject to reservations, exceptions, easements, covenants, conditions and restrictions of record as set forth in the attached Agreement;
- 2) SBS will pay CBS the sum of Six Hundred Forty-Three Thousand Dollars (\$643,000) for BLOCK 4, LOT 12A, LOT 13 and Three Hundred Nineteen Thousand Dollars (\$319,000) for BLOCK 4, LOT 11 BUILDING AND PROPERTY at the time of Closing;
- 3) GPIP property sales are not required to be by competitive bid;
- 4) This sale is consistent with GPIP goals as set out in the Sitka General Code at 28.38. *et seq.*, including creating jobs; and
- 5) CBS authorizes the Municipal Administrator to sign the attached Agreement or a substantially similar version.

**PASSED, APPROVED AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska, on this 27<sup>th</sup> day of January, 2015.

  
Mim McConnell  
Mayor

ATTEST:

  
Sara Peterson, CMC  
Acting Municipal Clerk

**PURCHASE AND SALES CONTRACT, REGARDING BLOCK 4, LOTS 12A, and 13,**  
**OF THE GARY PAXTON INDUSTRIAL PARK,**  
**BETWEEN CITY AND BOROUGH OF SITKA AND SILVER BAY SEAFOODS, LLC**

This PURCHASE AND SALES CONTRACT, REGARDING BLOCK 4, LOTS 12A AND 13, OF THE GARY PAXTON INDUSTRIAL PARK, BETWEEN CITY AND BOROUGH OF SITKA AND SILVER BAY SEAFOODS, LLC ("Agreement") is entered into between the CITY AND BOROUGH OF SITKA ("Seller"), a home rule municipality and municipal corporation whose address is 100 Lincoln St., Sitka, Alaska 99835, and SILVER BAY SEAFOODS, LLC ("Purchaser"), an Alaskan limited liability corporation whose address is 208 Lake Street, Suite 2E, Sitka, Alaska, collectively referred to as "Parties."

1. **PROPERTY.** Upon the terms, conditions and covenants set forth in this Agreement, the Purchaser and Seller agree as follows regarding the property subject to purchase under this Agreement:

Purchaser agrees to purchase and Seller agrees to sell to Purchaser the following Gary Paxton Industrial Park ("GPIP") real property (hereinafter referred to as the "Property"):

GPIP Lots 12A and 13, Block 4.

**Legal Descriptions:**

**Block 4, Lot 12A,** Sawmill Cove Industrial Park Resubdivision No. 2, according to the official plat thereof, filed under Plat No.2013-2, Records of the Sitka Recording District, First Judicial District, State of Alaska.

**Block 4, Lot 13,** Sawmill Cove Industrial Park Resubdivision No. 1, according to the official plat thereof, filed under Plat No. 2008-27, Records of the Sitka Recording District, First Judicial District, State of Alaska.

2. **PURCHASE PRICE.** The purchase price for the Property ("Purchase Price") shall be a total of Six Hundred and Forty Three Thousand DOLLARS (US \$643,000.00) for lots 12A and 13. The Purchase Price shall be paid to Seller immediately at Closing.

Lot 12A (approximately 117,608 sq. ft.)	\$529,000
Lot 13 (approximately 20,810 sq. ft.)	\$114,000

3. **SELLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS.**

(a) Purchaser acknowledges and understands that Seller owns the Property and intends that as a result of the transaction contemplated in this Agreement, Seller will have no further responsibility or liability for the Property. Purchaser and Seller have specifically negotiated this Agreement with the goal that after Closing of the transactions contemplated in

this Agreement that the Seller will have no responsibility or liability for the Property, for events occurring after the Closing Date.

Notwithstanding anything to the contrary set forth in this Agreement, Purchaser is acquiring the Property "AS IS", "WHERE IS," with all faults and defects. Purchaser acknowledges and agrees that Seller (or any agent of Seller) has not made and does not make, and Seller specifically disclaims, any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to:

- (i) the nature, quality or condition of the Property, including without limitation, the water, soil and geology of, or the presence or absence of any pollutant, hazardous waste, gas of substance or solid waste on or about, or deriving from the Property,
- (ii) the income to be derived from the Property,
- (ii) the suitability of the Property for any and all activities and uses which Purchaser may intend to conduct thereon,
- (iii) the compliance of or by the Property or its operations with any laws, rules, ordinances or regulations of any government authority or body having jurisdiction over the Property, including but not limited to environmental laws, such as CERCLA and RCRA, zoning laws, platting laws and building codes,
- (iv) the habitability, merchantability or fitness for a particular purpose of the Property,
- (v) any matter regarding tax consequences, the presence of asbestos, utilities, valuation, governmental approvals, the truth, accuracy or completeness of the items delivered, and
- (vi) any other matter related to or concerning the Property, except as expressly set forth in this Agreement or the Exhibits.

Purchaser shall not seek recourse (or seek any remedy, including rescission) against Seller on account of any loss, cost or expenses suffered or incurred by Purchaser with regard to any of the matters described in (i) through (vi) above.

#### 4. SELLER'S DISCLAIMERS

(a) Purchaser acknowledges that Purchaser, having been given the opportunity to inspect the Property, is relying solely on its own investigation of the Property and not on any information provided or to be provided by Seller. Purchaser further acknowledges that no independent investigations or verifications have been or will be made by Seller with respect to any information supplied by Seller concerning the Property, and that Seller

makes no representation as to the accuracy or completeness of such information. Purchaser will conduct prior to Closing, such investigations of the Property, including but not limited to, the physical and environmental conditions thereof, as Purchaser deems necessary to satisfy itself as to the condition of the Property and the existence or nonexistence of curative action to be taken with respect to any hazardous or toxic substances on or discharged from the Property, and except as expressly set forth in this Agreement, will rely solely upon same and not upon any information provided by or on behalf of Seller or its agents or employees with respect thereto. Upon Closing, Purchaser shall accept the risk of any and all adverse matters, including but not limited to, construction defects, and adverse physical and environmental conditions, which may not have been revealed by Purchaser's investigations, and except as expressly set forth in this Agreement, Purchaser upon Closing, shall be deemed to have waived, relinquished and released Seller from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Purchaser might have asserted or alleged against Seller at any time by reason of or arising out of any of the subject areas listed in this Section 4 and violations of any applicable laws (including any environmental laws) and any and all other acts, omissions, events, circumstances or matters regarding the Property. Purchaser acknowledges that the purpose of this section is for Purchaser, to the fullest extent possible at law, to waive, relinquish, release and disclaim, any claim or liability of or against Seller as the result of any condition or state of facts relating or pertaining to the Property on the Closing Date, except as expressly set forth in this Agreement. Purchaser shall verify the accuracy and completeness of such information itself.

Purchaser bears the risk of any costs or expenses suffered or incurred by Purchaser with regard to any lack of information, incorrect information or inadequate information relating to any of the matters described in (i) to (vi) above.

(b) Upon its purchase, the condition and use of the Property are still as provided in and/or subject to the applicable provisions of EXHIBITS A, B, C, and D, which are titled as follows and attached to this Agreement:

- |             |   |
|-------------|---|
| EXHIBIT A   | Legal description of the Property (GPIP Lot 12A and 13, Block 4)  |
| EXHIBIT B - | Prospective Purchaser Agreement between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property |
| EXHIBIT C - | Agreement to Convey between Alaska Pulp Corporation and the City and Borough of Sitka   |
| EXHIBIT D - | Management Requirements at Gary Paxton Industrial Park  |
| EXHIBIT E - | Quit Claim Deed   |

(c) Upon its purchase, the condition and use of the Property is provided in and/or subject to all applicable federal, state, and municipal laws, including GPIP ordinances, rules and regulations.

(d) All required action necessary to authorize Seller to enter into this Agreement and to carry out Seller's obligations under this Agreement has been taken or will be taken by the Closing Date.

(e) The representations and warranties set forth above are made as of the Execution Date and shall be deemed made also as of the Closing Date. If Purchaser knows prior to Closing that any representation or warranty above is untrue, then Purchaser shall give Seller written notice of such fact. If (a) such representation and warranty is not remedied by Seller prior to Closing, or (b) the representation and warranty, as remedied, has an adverse affect on any decision made by Purchaser to proceed with this transaction, or (c) any representation or warranty made by Seller is untrue and such fact is not disclosed to Purchaser until Closing, and same has a material and adverse affect on Purchaser's decision to purchase the Property, then Purchaser may either (i) terminate this Agreement, and neither Party shall have any further rights, duties or obligations pursuant to this Agreement except as expressly provided herein, or (ii) waive its objections to any such untrue representation or warranty and this Agreement shall remain in full force and effect. Purchaser shall have a period of one (1) year and one (1) day from the Closing Date to bring any action against Seller for the breach of any such representation or warranty.

(f) The provisions of this Section 4 survive the Closing or termination of this Agreement.

5. PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.  
Purchaser represents, warrants, covenants, and agrees with Seller to the following as of the Execution Date and as of the Closing Date:

(a) Purchaser has the full right, power, and authority to purchase the Property from Seller as provided in this Agreement and to carry out Purchaser's obligations under this Agreement; and all required action necessary to authorize Purchaser to enter into this Agreement and to carry out Purchaser's obligations under this Agreement has been taken. The individual executing this Agreement on behalf of Purchaser has the authority to do so.

(b) There are no pending, or to the knowledge of Purchaser threatened, actions, suits, claims, proceedings or litigation against Purchaser that would prevent Purchaser from entering into this Agreement, or adversely affect Purchaser's ability to perform under this Agreement, or that would in any way result in any liability to Seller.

(c) There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws contemplated or filed by Purchaser or to the best knowledge of Purchaser pending against Purchaser.

(d) The representations and warranties set forth above are made as of the Execution Date and shall be deemed made also as of the Closing Date. It shall be a condition of Seller's obligation to close that the representations and warranties made hereunder are true on the Closing Date. In the event any representation or warranty made by Purchaser as of the Closing Date is untrue, Seller must bring any action with respect to such breach of the representation and warranty within two (2) years and (1) day of the Closing Date.

6. CLOSING. The purchase and sale of the Property shall be closed ("Closing") in the offices of the Seller or at such other place as is mutually agreed to in writing between Seller and Purchaser. The "Closing Date" shall be within 30 calendar days of execution of this Agreement, unless another date is agreed in writing between Seller and Purchaser prior to 30 calendar days after execution of this Agreement, which may not be more than a thirty (30) calendar day extension, at a time to be agreed upon by Seller and Purchaser.

- (a) At Closing, Seller, at Seller's expense, shall deliver to Purchaser:
  - (i) Executed Quit Claim Deed in the format attached as EXHIBIT E;
  - (ii) Owner's policy of title insurance for the property.
  - (iii) Any and all other documents reasonably required to be executed by Purchaser to consummate this transaction,
- (b) At Closing, Purchaser, at Purchaser's expense, shall deliver to Seller:
  - (i) The Purchase Price; and
  - (ii) Any and all other documents reasonably required to be executed by Seller to consummate this transaction.

7. CLOSING COSTS. At Closing, closing costs and expenses of sale shall be borne as follows:

- (a) Seller shall be obligated for and shall pay:
  - (i) Survey and platting costs;
  - (ii) Owner's policy of title insurance, and
  - (iii) Seller's attorneys' fees.
- (b) Purchaser shall be obligated for and shall pay:
  - (i) Purchaser's due diligence;

- (ii) Any fees and expenses incurred by Purchaser in connection with Purchaser obtaining financing for its purchase of the Property;
- (iii) \$5,600 Appraisals fee;
- (iv) Recording fee; and
- (v) Purchaser's attorneys' fees.

All other closing costs not mentioned herein and for which no provision is made in this Agreement shall be paid equally by the Seller and Purchaser.

8. DEFAULT AND REMEDIES. In the event that this transaction is not consummated by reason of Seller's or Purchaser's default, both Parties sole remedy shall be termination of this Agreement.

9. INDEMNITY. Purchaser will hold harmless, indemnify and defend Seller, its employees, elected and unelected officials from and against any and all losses, claims, actions, demands, damages or other liabilities of any and every nature ("Claims") arising from the Property after the Closing Date of this Agreement.

10. ASSIGNMENT OF AGREEMENT. This Agreement may not be assigned by Purchaser, without Purchaser having to first obtain the consent of Seller.

11. NOTICES. Any notices to be given by either Party to this Agreement shall be given in writing and may be effected by personal delivery, facsimile transmittal, delivery by overnight Federal Express or similar courier service, or mailed through the United States Postal Service, as follows:

To Purchaser: Richard A. Riggs  
Silver Bay Seafoods, LLC  
208 Lake Street, Suite 2E  
Sitka, AK 99835  
Telephone: (907) 747-7996  
Telecopy/Fax: (907) 747-7998  
E-mail: Richard.riggs@silverbayseafoods.com

To Seller: Administrator, Mark Gorman  
City and Borough of Sitka  
100 Lincoln Street  
Sitka, Alaska 99835  
Telephone: (907) 747-1808  
Telecopy/Fax: (907) 747-7403  
E-mail: jimdinley@cityofsitka.com



The Parties hereto shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address by at least five (5) calendar days prior written notice to the other Party as herein provided. Notice shall be effective and deemed given upon actual receipt or upon the fifth (5th) business day after same is sent as specified above, whichever is earlier; provided, however, notice given by facsimile transmittal shall be effective upon actual receipt and telephonic confirmation that such notice has been received in its entirety.

12. MODIFICATION OF AGREEMENT; WAIVER. This Agreement may not be modified or amended except by a written instrument signed by Seller and Purchaser. Purchaser and Seller may waive any of the conditions contained in this Agreement or any of the obligations of the other party under this Agreement, but any such waiver shall be effective only if in writing and signed by the party waiving such condition or obligation.

13. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, legal representatives and, subject to Section 11, assigns.

14. ENTIRE AGREEMENT. This Agreement, including any attached Exhibits, constitutes the entire agreement and understanding between the Parties and supersedes all prior and contemporaneous agreements and undertakings of the Parties in connection herewith. No statements, agreements or understandings, representations, warranties or conditions not expressed in this Agreement shall be binding upon the Parties, or shall be effective to interpret, change or restrict the provisions of this Agreement unless such is in writing signed by both Parties hereto and by reference made a part of this Agreement.

The terms of this Agreement are contractual and not a mere recital. The rule of construction that a document is more strictly construed against the drafter shall not apply in the interpretation of this Agreement. The purpose of this Agreement is to ensure the full, complete, and final resolution of any disputes and claims between the Seller and Purchaser regarding the subjects discussed in this Agreement, including but not limited to the purchase of the Property, Parties' obligations and liabilities regarding the Property.

15. GOVERNING LAW. This Agreement shall be construed and interpreted in accordance with the laws of the State of Alaska. Venue for any action regarding the interpretation and enforcement of this Agreement shall be in the Superior Court for the State of Alaska at Sitka, Alaska.

16. ATTORNEYS' FEES. In the event of a dispute or controversy concerning the agreements that are the subject of this Agreement that results in litigation, the prevailing party in such litigation shall be entitled to reasonable attorneys' fees and costs as determined by the Court.

17. COUNTERPARTS; FACSIMILE SIGNATURES. This Agreement may be executed in counterparts, each of which shall be deemed an original. Each Party agrees that its signature page may be attached to an identical counterpart of this Agreement so that there are signature pages of each such Party to such counterpart of this Agreement.

18. CAPTIONS. Captions and headings throughout this Agreement are for convenience and reference only, and they shall not define, limit, modify or add to the interpretation or meaning of any provisions of this Agreement or in any way affect the scope, intent or effect of this Agreement.

19. SEVERABILITY. If any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained.

20. EXHIBITS. All exhibits attached to this Agreement are made a part of this Agreement for all purposes whatsoever.

21. SURVIVAL. All provisions of this Agreement shall survive Closing.

22. ASSEMBLY APPROVAL. This Agreement is subject to approval by the Assembly for the City and Borough of Sitka regarding it being consistent with the terms and conditions outlined and approved by the Assembly on January 27, 2015. This Agreement, together with any modifications, changes, or amendments to this Agreement, cannot be enforced against the Seller unless the Assembly for the City and Borough of Sitka has approved this Agreement and any modification, changes, or amendments to this Agreement.

EXECUTED by the Parties as of the date set forth below the signature of each party, with the Effective Date of this Agreement to be the date first listed in this Agreement.

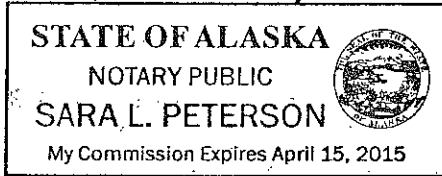
CITY AND BOROUGH OF SITKA, SELLER



Mark Gorman, Administrator

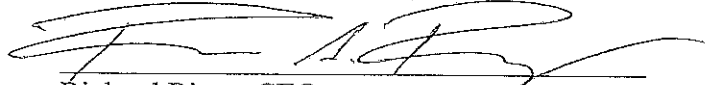
STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

On this 23 day of February, 2015, personally appeared before me MARK GORMAN, 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 as Municipal Administrator for the City and Borough of Sitka to sign on its behalf, and does so freely and voluntarily.



Sara L Peterson  
Notary Public for Alaska  
My Commission Expires: 4-15-2015

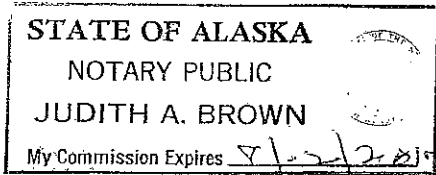
SILVER BAY SEAFOODS, LLC, Purchaser



Richard Riggs, CEO

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

On this 23 day of February, 2015, personally appeared before me RICHARD RIGGS, 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 as Chief Executive Officer of Silver Bay Seafoods, LLC to sign on its behalf, and does so freely and voluntarily.



Judith A Brown  
Notary Public for Alaska  
My Commission Expires: 8/22/2015

**PURCHASE AND SALES CONTRACT, REGARDING BLOCK 4, LOT 11 BUILDING  
AND PROPERTY OF THE GARY PAXTON INDUSTRIAL PARK,  
BETWEEN CITY AND BOROUGH OF SITKA AND SILVER BAY SEAFOODS, LLC**

This PURCHASE AND SALES CONTRACT, REGARDING BLOCK 4, LOT 11 BUILDING AND PROPERTY, BETWEEN CITY AND BOROUGH OF SITKA AND SILVER BAY SEAFOODS, LLC ("Agreement") is entered into between the CITY AND BOROUGH OF SITKA ("Seller"), a home rule municipality and municipal corporation whose address is 100 Lincoln St., Sitka, Alaska 99835, and SILVER BAY SEAFOODS, LLC ("Purchaser"), an Alaskan limited liability corporation whose address is 208 Lake Street, Suite 2E, Sitka, Alaska, collectively referred to as "Parties."

1. **PROPERTY.** Upon the terms, conditions and covenants set forth in this Agreement, the Purchaser and Seller agree as follows regarding the property subject to purchase under this Agreement:

Purchaser agrees to purchase and Seller agrees to sell to Purchaser the following Gary Paxton Industrial Park ("GPIP") real property with related building (hereinafter referred to as the "Property"):

GPIP Block 4, Lot 11 (Former Water Treatment Building and Property), more particularly identified in EXHIBIT A, excluding all utility easements, public use easements, and public easements, right of ways, roads, public improvements, and utility improvements.

**Legal Description:** Lot 11, Block 4, Sawmill Cove Industrial Park Resubdivision No. 1, according to the official plat thereof, filed under Plat No. 2008-27, Records of the Sitka Recording District, First Judicial District, State of Alaska

2. **PURCHASE PRICE.** The purchase price for the Property ("Purchase Price") shall be Three Hundred Nineteen Thousand DOLLARS (US \$319,000.00). The Purchase Price shall be paid to Seller immediately at Closing.

3. **SELLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS.**

(a) Purchaser acknowledges and understands that Seller owns the Property and intends that as a result of the transaction contemplated in this Agreement, Seller will have no further responsibility or liability for the Property. Purchaser and Seller have specifically negotiated this Agreement with the goal that after Closing of the transactions contemplated in this Agreement that the Seller will have no responsibility or liability for the Property, for events occurring after the Closing Date.

Notwithstanding anything to the contrary set forth in this Agreement, Purchaser is acquiring the Property "AS IS", "WHERE IS," with all faults and defects. Purchaser acknowledges and agrees

that Seller (or any agent of Seller) has not made and does not make, and Seller specifically disclaims, any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to:

(i) the nature, quality or condition of the Property, including without limitation, the water, soil and geology of, or the presence or absence of any pollutant, hazardous waste, gas or substance or solid waste on or about, or deriving from the Property,

(ii) the income to be derived from the Property,

(ii) the suitability of the Property for any and all activities and uses which Purchaser may intend to conduct thereon,

(iii) the compliance of or by the Property or its operations with any laws, rules, ordinances or regulations of any government authority or body having jurisdiction over the Property, including but not limited to environmental laws, such as CERCLA and RCRA, zoning laws, platting laws and building codes,

(iv) the habitability, merchantability or fitness for a particular purpose of the Property,

(v) any matter regarding tax consequences, the presence of asbestos, utilities, valuation, governmental approvals, the truth, accuracy or completeness of the items delivered, and

(vi) any other matter related to or concerning the Property, except as expressly set forth in this Agreement or the Exhibits.

Purchaser shall not seek recourse (or seek any remedy, including rescission) against Seller on account of any loss, cost or expenses suffered or incurred by Purchaser with regard to any of the matters described in (i) through (vi) above.

#### 4. SELLER'S DISCLAIMERS

(a) Purchaser acknowledges that Purchaser, having been given the opportunity to inspect the Property, is relying solely on its own investigation of the Property and not on any information provided or to be provided by Seller. Purchaser further acknowledges that no independent investigations or verifications have been or will be made by Seller with respect to any information supplied by Seller concerning the Property, and that Seller makes no representation as to the accuracy or completeness of such information. Purchaser will conduct prior to Closing, such investigations of the Property, including but not limited to, the physical and environmental conditions thereof, as Purchaser deems necessary to satisfy itself as to the condition of the Property and the existence or nonexistence of curative action to be taken with respect to any hazardous or toxic

substances on or discharged from the Property, and except as expressly set forth in this Agreement, will rely solely upon same and not upon any information provided by or on behalf of Seller or its agents or employees with respect thereto. Upon Closing, Purchaser shall accept the risk of any and all adverse matters, including but not limited to, construction defects, and adverse physical and environmental conditions, which may not have been revealed by Purchaser's investigations, and except as expressly set forth in this Agreement, Purchaser upon Closing, shall be deemed to have waived, relinquished and released Seller from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Purchaser might have asserted or alleged against Seller at any time by reason of or arising out of any of the subject areas listed in this Section 4 and violations of any applicable laws (including any environmental laws) and any and all other acts, omissions, events, circumstances or matters regarding the Property. Purchaser acknowledges that the purpose of this section is for Purchaser, to the fullest extent possible at law, to waive, relinquish, release and disclaim, any claim or liability of or against Seller as the result of any condition or state of facts relating or pertaining to the Property on the Closing Date, except as expressly set forth in this Agreement. Purchaser shall verify the accuracy and completeness of such information itself.

Purchaser bears the risk of any costs or expenses suffered or incurred by Purchaser with regard to any lack of information, incorrect information or inadequate information relating to any of the matters described in (i) to (vi) above.

(b) Upon its purchase, the condition and use of the Property are still as provided in and/or subject to the applicable provisions of EXHIBITS A, B, C, and D, which are titled as follows and attached to this Agreement:

- EXHIBIT A            Legal description of the Property (GPIP Block 4, Lot 11)
- EXHIBIT B -        Prospective Purchaser Agreement between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property
- EXHIBIT C -        Agreement to Convey between Alaska Pulp Corporation and the City and Borough of Sitka
- EXHIBIT D -        Management Requirements at Gary Paxton Industrial Park
- EXHIBIT E -        Quit Claim Deed

(c) Upon its purchase, the condition and use of the Property is provided in and/or subject to all applicable federal, state, and municipal laws, including GPIP ordinances, rules and regulations.

(d) All required action necessary to authorize Seller to enter into this Agreement and to carry out Seller's obligations under this Agreement has been taken or will be taken by the Closing Date.

(e) The representations and warranties set forth above are made as of the Execution Date and shall be deemed made also as of the Closing Date. If Purchaser knows prior to Closing that any representation or warranty above is untrue, then Purchaser shall give Seller written notice of such fact. If (a) such representation and warranty is not remedied by Seller prior to Closing, or (b) the representation and warranty, as remedied, has an adverse affect on any decision made by Purchaser to proceed with this transaction, or (c) any representation or warranty made by Seller is untrue and such fact is not disclosed to Purchaser until Closing, and same has a material and adverse affect on Purchaser's decision to purchase the Property, then Purchaser may either (i) terminate this Agreement, and neither Party shall have any further rights, duties or obligations pursuant to this Agreement except as expressly provided herein, or (ii) waive its objections to any such untrue representation or warranty and this Agreement shall remain in full force and effect. Purchaser shall have a period of one (1) year and one (1) day from the Closing Date to bring any action against Seller for the breach of any such representation or warranty.

(f) The provisions of this Section 4 survive the Closing or termination of this Agreement.

5. PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.  
Purchaser represents, warrants, covenants, and agrees with Seller to the following as of the Execution Date and as of the Closing Date:

(a) Purchaser has the full right, power, and authority to purchase the Property from Seller as provided in this Agreement and to carry out Purchaser's obligations under this Agreement; and all required action necessary to authorize Purchaser to enter into this Agreement and to carry out Purchaser's obligations under this Agreement has been taken. The individual executing this Agreement on behalf of Purchaser has the authority to do so.

(b) There are no pending, or to the knowledge of Purchaser threatened, actions, suits, claims, proceedings or litigation against Purchaser that would prevent Purchaser from entering into this Agreement, or adversely affect Purchaser's ability to perform under this Agreement, or that would in any way result in any liability to Seller.

(c) There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws contemplated or filed by Purchaser or to the best knowledge of Purchaser pending against Purchaser.

(d) The representations and warranties set forth above are made as of the Execution Date and shall be deemed made also as of the Closing Date. It shall be a condition of Seller's obligation to close that the representations and warranties made hereunder are true on the

Closing Date. In the event any representation or warranty made by Purchaser as of the Closing Date is untrue, Seller must bring any action with respect to such breach of the representation and warranty within two (2) years and (1) day of the Closing Date.

6. CLOSING. The purchase and sale of the Property shall be closed ("Closing") in the offices of the Seller or at such other place as is mutually agreed to in writing between Seller and Purchaser. The "Closing Date" shall be within 30 calendar days of execution of this Agreement, unless another date is agreed in writing between Seller and Purchaser prior to 30 calendar days after execution of this Agreement, which may not be more than a thirty (30) calendar day extension, at a time to be agreed upon by Seller and Purchaser.

(a) At Closing, Seller, at Seller's expense, shall deliver to Purchaser:

(i) Executed Quit Claim Deed in the format attached as EXHIBIT E;

(ii) Owner's policy of title insurance for the property.

(iii) Any and all other documents reasonably required to be executed by Purchaser to consummate this transaction,

(b) At Closing, Purchaser, at Purchaser's expense, shall deliver to Seller:

(i) The Purchase Price; and

(ii) Any and all other documents reasonably required to be executed by Seller to consummate this transaction.

7. CLOSING COSTS. At Closing, closing costs and expenses of sale shall be borne as follows:

(a) Seller shall be obligated for and shall pay:

(i) Survey and platting costs;

(ii) Owner's policy of title insurance, and

(iii) Seller's attorneys' fees.

(b) Purchaser shall be obligated for and shall pay:

(i) Purchaser's due diligence;

(iii) Any fees and expenses incurred by Purchaser in connection with Purchaser obtaining financing for its purchase of the Property;

(iv) Appraisal fee of \$850;



(iii) Recording fee; and

(iv) Purchaser's attorneys' fees.

All other closing costs not mentioned herein and for which no provision is made in this Agreement shall be paid equally by the Seller and Purchaser.

8. DEFAULT AND REMEDIES. In the event that this transaction is not consummated by reason of Seller's or Purchaser's default, both Parties sole remedy shall be termination of this Agreement.

9. INDEMNITY. Purchaser will hold harmless, indemnify and defend Seller, its employees, elected and unelected officials from and against any and all losses, claims, actions, demands, damages or other liabilities of any and every nature ("Claims") arising from the Property after the Closing Date of this Agreement.

10. ASSIGNMENT OF AGREEMENT. This Agreement may not be assigned by Purchaser, without Purchaser having to first obtain the consent of Seller.

11. NOTICES. Any notices to be given by either Party to this Agreement shall be given in writing and may be effected by personal delivery, facsimile transmittal, delivery by overnight Federal Express or similar courier service, or mailed through the United States Postal Service, as follows:

To Purchaser:                      Richard A. Riggs  
   Silver Bay Seafoods, LLC  
   208 Lake Street, Suite 2E  
   Sitka, AK 99835  
   Telephone: (907) 747-7996  
   Telecopy/Fax: (907) 747-7998  
   E-mail: Richard.riggs@silverbayseafoods.com

To Seller:                              Administrator, Mark Gorman  
   City and Borough of Sitka  
   100 Lincoln Street  
   Sitka, Alaska 99835  
   Telephone: (907) 747-1808  
   Telecopy/Fax: (907) 747-7403

The Parties hereto shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address by at least five (5) calendar days prior written notice to the other Party as herein provided. Notice shall be effective and deemed given upon actual receipt or upon the fifth (5th) business day after same is sent as specified above, whichever is earlier; provided, however, notice given by facsimile transmittal

shall be effective upon actual receipt and telephonic confirmation that such notice has been received in its entirety.

12. MODIFICATION OF AGREEMENT; WAIVER. This Agreement may not be modified or amended except by a written instrument signed by Seller and Purchaser. Purchaser and Seller may waive any of the conditions contained in this Agreement or any of the obligations of the other party under this Agreement, but any such waiver shall be effective only if in writing and signed by the party waiving such condition or obligation.

13. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, legal representatives and, subject to Section 11, assigns.

14. ENTIRE AGREEMENT. This Agreement, including any attached Exhibits, constitutes the entire agreement and understanding between the Parties and supersedes all prior and contemporaneous agreements and undertakings of the Parties in connection herewith. No statements, agreements or understandings, representations, warranties or conditions not expressed in this Agreement shall be binding upon the Parties, or shall be effective to interpret, change or restrict the provisions of this Agreement unless such is in writing signed by both Parties hereto and by reference made a part of this Agreement.

The terms of this Agreement are contractual and not a mere recital. The rule of construction that a document is more strictly construed against the drafter shall not apply in the interpretation of this Agreement. The purpose of this Agreement is to ensure the full, complete, and final resolution of any disputes and claims between the Seller and Purchaser regarding the subjects discussed in this Agreement, including but not limited to the purchase of the Property, Parties' obligations and liabilities regarding the Property.

15. GOVERNING LAW. This Agreement shall be construed and interpreted in accordance with the laws of the State of Alaska. Venue for any action regarding the interpretation and enforcement of this Agreement shall be in the Superior Court for the State of Alaska at Sitka, Alaska.

16. ATTORNEYS' FEES. In the event of a dispute or controversy concerning the agreements that are the subject of this Agreement that results in litigation, the prevailing party in such litigation shall be entitled to reasonable attorneys' fees and costs as determined by the Court.

17. COUNTERPARTS; FACSIMILE SIGNATURES. This Agreement may be executed in counterparts, each of which shall be deemed an original. Each Party agrees that its signature page may be attached to an identical counterpart of this Agreement so that there are signature pages of each such Party to such counterpart of this Agreement.

18. CAPTIONS. Captions and headings throughout this Agreement are for convenience and reference only, and they shall not define, limit, modify or add to the

interpretation or meaning of any provisions of this Agreement or in any way affect the scope, intent or effect of this Agreement.

19. SEVERABILITY. If any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained.

20. EXHIBITS. All exhibits attached to this Agreement are made a part of this Agreement for all purposes whatsoever.

21. SURVIVAL. All provisions of this Agreement shall survive Closing.

22. ASSEMBLY APPROVAL. This Agreement is subject to approval by the Assembly for the City and Borough of Sitka regarding it being consistent with the terms and conditions outlined and approved by the Assembly on January 27<sup>th</sup>, 2015. This Agreement, together with any modifications, changes, or amendments to this Agreement, cannot be enforced against the Seller unless the Assembly for the City and Borough of Sitka has approved this Agreement and any modification, changes, or amendments to this Agreement.

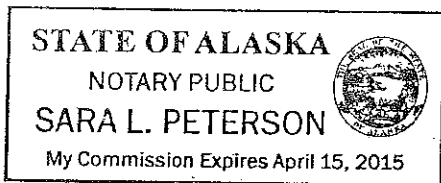
EXECUTED by the Parties as of the date set forth below the signature of each party, with the Effective Date of this Agreement to be the date first listed in this Agreement.

CITY AND BOROUGH OF SITKA, SELLER

*Mark Gorman*  
Mark Gorman, Administrator

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

On this 22 day of February, 2015, personally appeared before me MARK GORMAN, 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 as Municipal Administrator for the City and Borough of Sitka to sign on its behalf, and does so freely and voluntarily.



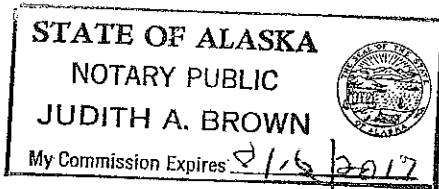
*Sara Peterson*  
Notary Public for Alaska  
My Commission Expires: 4-15-2015

SILVER BAY SEAFOODS, LLC, Purchaser

*Richard Riggs*  
Richard Riggs, CEO

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

On this 23 day of February, 2015, personally appeared before me RICHARD RIGGS, 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 as Chief Executive Officer of Silver Bay Seafoods, LLC to sign on its behalf, and does so freely and voluntarily.



*Judith A. Brown*  
Notary Public for Alaska  
My Commission Expires: 2/16/2017