

T I D E L A N D S L E A S E

THIS LEASE, made and entered into this first day of August, 1988, by and between

CITY AND BOROUGH OF SITKA
hereinafter referred to as the Lessor,

and

Return to:

BRADLEY L. SHAFFER
of 479 Katlian Street, Sitka, Alaska 99835
hereinafter referred to as the Lessee,

W I T N E S S E T H:

WHEREAS, the Lessor is owner of certain tidelands situated at Sitka, Alaska described as follows:

The tidelands in the Sitka channel, seaward of 479 Katlian Street, described as Tract B-1, and more particularly described as follows:

Tract B-1

A parcel of tide and submerged lands located within the Sitka Recording District, Sitka, Alaska; and located seaward of USS 2542 A & B, Sitka Indian Village; more particularly described as follows:

Beginning at W.C.M.C. 11, USS 2542, monumented with a G.L.O. brass cap, from which corner no. 1 of said USS bears N 65 52'00"E, a distance of 322.34 feet. Corner no. 1 is monumented with a G.L.O. brass cap. Said corners constitute the basis of bearing for the metes and bounds legal description.

Thence S 65 52'00"W, a distance of 40.96 feet to corner no. 11, M.C. USS 2542; Thence S 31 30'00"E, along the meander line, a distance of 58.75 feet to a meander point; Thence S 44 13'00"E along the original right-of-way of Katlian Avenue, a distance of 160.47 feet, to the corner common to Tract E and Tract F as shown on the Katlian Avenue Right-of-Way plat recorded as Plat No. 83-12 in the Sitka District Recording Office; Thence S 45 41'00"W along the line common to Tract F, Tract E, Lot 36A-3, and Lot 36A-2, a distance of 92.23 feet to an angle point common to Lots 36A-2 and 36A-3. Said boundary established by a plat of the subdivision of Lot 36 recorded as Plat No. 92 at the Sitka District Recording Office. Thence N 43 29'00"W, along the line common to Lots 36A-3 and 36A-2, a distance of 4.90 feet, to an angle point common to Lot 36A-2 and Tract J; Thence S 45 47'00"W, along the line common to Tract J, Lot 36A-2, and the tidelands leased to Dave Gangle February 3, 1972, a distance of 128.01 feet, to Corner No. 1 of this legal description, the true point of beginning. Thence S 45 47'00"W, along the line of Lot 36A-2, a distance of 52.49 feet, to an angle point common to an angle point in Lot 36A-2, Corner No. 2. Thence N 41 03'41"W, a distance of 71.31 feet, to an angle point of the most southerly point of lease area "B" (Ken

Bellows, Corner No. 3. Thence N 47 10'00"E, along the lease area "B" (Ken Bellows) line, a distance of 49.48 feet, to Corner No. 4, a point where the tidelands leased to Dave Gangle February 3, 1972 intersects the easterly line of lease area "B". Thence, along the line leased to Dave Gangle February 3, 1972, a distance of 70.02 feet to Corner No. 1, the true point of beginning. Said parcel of tide and submerged area containing 3,601 sq. ft., more or less, all described within this legal description.

The intent of this legal description is to describe a parcel of tide and submerged area lying seaward (southwesterly) of the tidelands leased to Dave Gangle, February 3, 1972 and lying adjacent to tidelands leased to Ken Bellows (dba Bellair) and Lot 36A-2. Plat #83-12, recorded in the Sitka Recording District office was used in conjunction with the writing of this legal description.

WHEREAS, Lessor has held an auction pursuant to SGC Chapter 18.16.110 to lease the described tidelands; and

WHEREAS, Lessee, the upland owner, was the successful bidder,

NOW, THEREFORE, for and in consideration of the agreements hereinafter contained, Lessor and Lessee agree as follows:

1. Lessor hereby devises and leases unto the Lessee, the above described property for a term of fifty (50) years, beginning August 1, 1988 and ending August 1, 2038.

2. Lessee, in consideration of lease from Lessor, agrees as follows:

(a) To pay rent therefore to Lessor at its order the sum of \$1,440.00 annually payable on the first day of August of each year in advance. It is acknowledged that the first year's payment has been made. In addition to said rental, there shall be paid to the City and Borough of Sitka, sales tax on the amount of each rental not exempt from such sales tax.

(b) The parties hereby agree that said annual rent is subject to adjustment on the seventh anniversary of the lease and each seven years thereafter, with the annual lease payment being changed by the percentage change in the amount (expressed in dollars and cents) established by dividing the grand total land value on the official municipal real property assessment roll for the initial lease year, or prior adjustment year by the number of that year's real property tax accounts, compared with a similar calculation using the figures seven years later. The base figure for the tax year 1988 is \$40,707.65.

(c) This lease may not be assigned or sublet by the Lessee without the consent of the Lessor.

(d) If the rent shall be in arrears, or Lessee, its representatives or assigns, do or shall neglect agreements herein contained which are to be performed and in the event Lessee fails to remedy default within thirty (30) days after receipt of written notice of any such rental arrears or neglect, then Lessor may immediately, or at any time thereafter, while such neglect or default continues, enter into and on the premises, or any part thereof terminate the lease and repossess the same as of their former estate, and expel Lessee and those claiming under it and remove its effects (forcefully if necessary) without being guilty of any trespass and without prejudice to any remedies which might otherwise be used for arrears or rent, or proceedings on breach of agreement.

(e) That the Lessee herein agrees to pay any Local Improvement District assessments that may be levied against the property leased herein to the same extent and in the same amount as if the Lessee were the owner of the property leased herein which 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.

IT IS MUTUALLY AGREED AS FOLLOWS:

1. The terms and conditions herein contained shall apply to and bind the heirs, successors, and assigns of the respective parties.


2. Waiver by Lessor of any agreement or condition herein shall not be considered a waiver of any subsequent breach of said agreement or condition.

3. If Lessee occupies the premises after the expiration date of this lease without the consent of the Lessor, such possession shall be construed as an annual tenancy and Lessee shall pay Lessor the annual rent paid during the last year of said lease.

(4) At any termination of said tenancy, all improvements placed on said 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. *of the city*

5. Lessee agrees to save the Lessor harmless from any liability for property damage or personal injury to any person or persons on or about the premises; to carry 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.

Not
Dated
Signed
Witness

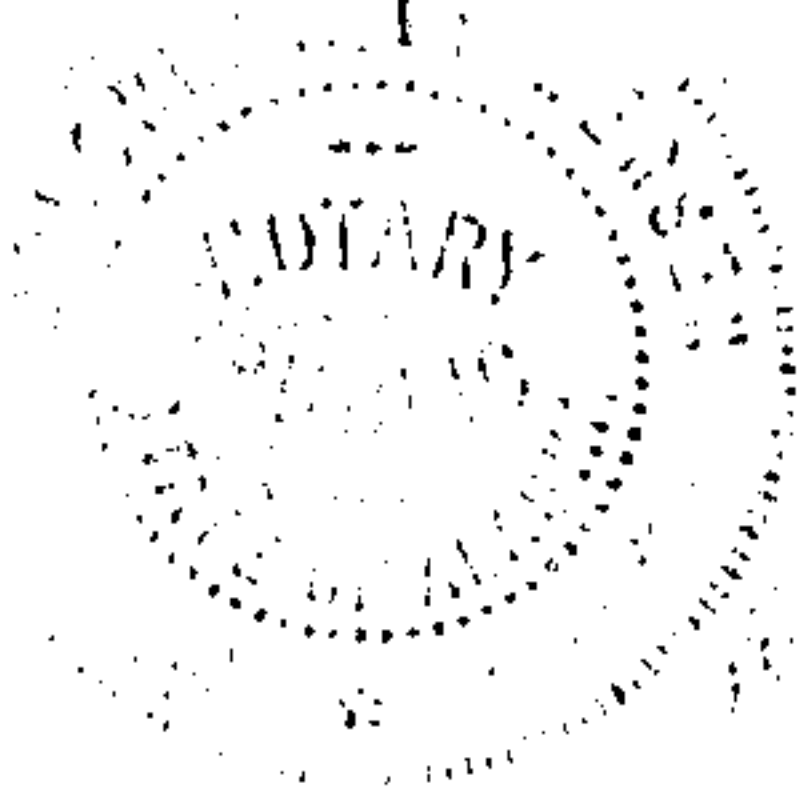

Stuart Denslow, Administrator
CITY & BOROUGH OF SITKA


Bradley L. Shaffer

STATE OF ALASKA)
) ss. MUNICIPAL ACKNOWLEDGEMENT
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 1st day of August, 1988, before me, a Notary Public in and for the State of Alaska, personally appeared STUART DENSLOW, to me known and known to me to be the person whose name is subscribed to the foregoing lease and after being first duly sworn according to law, he stated to me under oath that he is the Administrator of the City and Borough of Sitka, Alaska, a corporation organized under the laws of the State of Alaska, that he has been authorized by said corporation to execute the foregoing lease on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

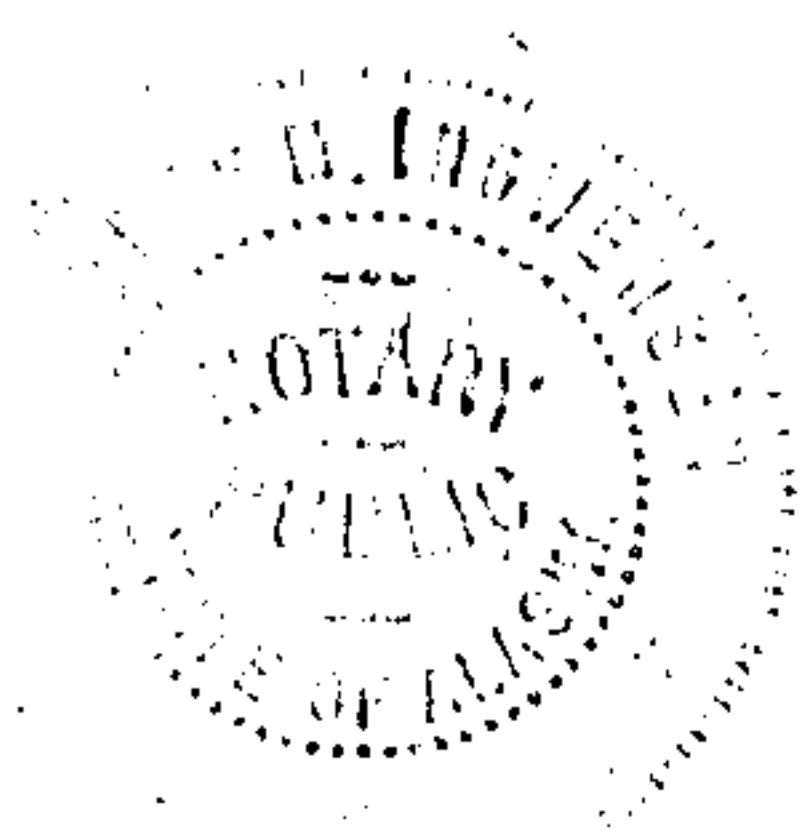
WITNESS my hand and official seal the day and year in this certificate first above written.



James H. Jensen
Notary Public for Alaska
My commission expires: 10.31.88

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 8 day of August, 1988, before me the undersigned, a Notary Public in and for the State of Alaska duly commissioned and sworn, personally appeared BRADLEY L. SHAFFER, to me known to be the person who executed the above and foregoing instrument, and acknowledged to me that he signed and sealed the same freely and voluntarily.



Dale M. Jensen
Notary Public for Alaska
My commission expires: 10.31.88

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RECORDED FILE
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DISTRICT

AUG 11 1 58 PM '98

REQUESTED BY Bradley L Shaffer

ADDRESS Silka