A L A S K A
2014-000756-0
Recording District 318 Valdez
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# LEASE AMENDMENT NO. 1

## CITY OF VALDEZ

## AND

## PETER PAN SEAFOODS, INC.

THIS LEASE AMENDMENT NO. 1 is made between the City of Valdez, P.O. Box 307, Valdez, Alaska 99686, a municipal corporation organized under the laws of the State of Alaska, hereinafter referred to as LESSOR, and, **Peter Pan Seafoods, Inc.** P.O. Box 1027, Valdez, Alaska 99686 hereinafter referred to as LESSEE.

WHEREAS, the City of Valdez entered into a lease of 25,200 square feet at Tract J, Harbor Subdivision (21,000 square feet) and a Portion of Lot 6, Block 46, Harbor Subdivision and a Portion of South Harbor Drive Right of Way (2,400), with Peter Pan Seafoods, Inc. on February 26, 2013 for five (5) years, commencing on June 15, 2012, and ending the last day of June 30, 2017.

WHEREAS, the lease included one renewal option through 2039 provided the lessee has shown sufficient progress toward the construction of an addition to the plant; and

WHEREAS, a Memorandum of Lease for Recordation was executed on February 27, 2013, Document # 2013-000126-0 of the Valdez Recording District with regard to the total square feet of the lease area, the term and Section 4.01. Use; and

WHEREAS, Peter Pan Seafoods, Inc. submitted a request dated August 25, 2014 for further development to the property for an edible fish oil plant; and

WHEREAS, on September 15, 2014 the City Council approved Resolution 14-40 authorizing the lease term extension to 2039.

NOW, THEREFORE, LESSOR and LESSEE agree as follows:

Section 1: The City Manager or his designees is authorized to negotiate this lease term extension with Peter Pan Seafoods.

Section 2: Section 2.0 (Lease Term) of the lease is amended to read: The term of this Lease shall be extended by twenty-five (25) additional years, commencing **on September 15, 2014, and ending on the last day of June, 2039.** The lease will be renegotiated with both parties based on the operational viability of the use.

Section 3: Section 4.01 (Use) of the lease is amended to read: LESSEE acknowledges that the property is being leased for the construction, operations and maintenance of a fish oil plant and that the property will be used for those purposes only. LESSEE shall not conduct any illegal activities on the Property or maintain any nuisances on the Property.

Section 4: Section 5.01 (Notice of Construction) of the lease is amended to read: **No improvements may be made to the property without first obtaining permits required by city, state and/or federal agencies**. After obtaining the appropriate permits, LESSEE shall give LESSOR no less than five (5) days written notice prior to the commencement of any construction, alteration or repair of any improvements constructed or made by LESSEE on the Property so that LESSOR may, if it so elects, give notice of nonresponsibility pursuant to AS 34.35, as enacted or hereafter amended.

Section 5: Section 5.02 (Development Requirements) of the lease is amended to read: LESSEE shall develop the area by constructing a fish oil plant. Any development, intent to develop or use of the Property by LESSEE that is not in concert with the use of the Property as outlined in Section 4.01 must be approved by the LESSOR and may constitute grounds for termination of this Lease, or cause anew lease to be negotiated between LESSEE and LESSOR.

Section 6: As outlined in Section 3.01 (Rent) of the lease, the rental rate shall remain at 10% of the fair market appraised value.

Section 7: All other terms and conditions of the lease shall remain in full force and effect.

Section 8: As required by Valdez Municipal Code Section 4.08.160 public notice of this lease amendment is required. The lease amendment is not effective until the public has been given notice for at least 30 days. The resolution approving the lease amendment shall be published twice in a newspaper in the city and shall be posted on the official city bulletin board and in two other public places in the city for 30 days prior to the effective date of the lease amendment.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of this 12th Day of NOVEMBER, 2014.

LESSOR:

CITY OF VALDEZ
An Alaskan Municipal Corporation

By: _____
Larry Weaver, Mayor

LESSEE:

PETER PAN SEAFOOD, INC.

By: _____
Barry D. Collier, President/CEO

Attest: _____
Sheri Pierce, MMC, City Clerk

SEAL OF THE CITY OF VALDEZ, ALASKA INC. 1901

APPROVED AS TO FORM:

WALKER & RICHARDS, LLC
Attorneys for City of Valdez

By: _____
William M. Walker

STATE OF WASHINGTON )
) ss.
THIRD JUDICIAL DISTRICT )

I, DALE V. SCHIFFLER, hereby certify that I know or have satisfactory evidence that BARRY D. COLLIER is the person who appeared before me, and said person acknowledged that he signed this Amendment No. 1, on oath stated that he was authorized to execute the instrument and acknowledged it as the Chief Executive Officer of **Peter Pan Seafoods, Inc**. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 11-12-2014

DALE V SCHIFFLER NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 4-12-15

_____

Print Name: DALE V. SCHIFFLER
NOTARY PUBLIC in and for the State of Washington, residing at: KING CTY.

My appointment expires: 4-12-2015

For recording in the Valdez Recording District, Third Judicial District, State of Alaska

Upon recording return to:
City of Valdez-CEDD
P.O. Box 307
Valdez, AK 99686