



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Meeting Agenda

Planning and Zoning Commission

Wednesday, November 12, 2025

7:00 PM

Council Chambers

Regular Meeting

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

1. [Approval of Minutes for the Regular Planning and Zoning Commission Meeting of October 22, 2025](#)
2. [Approval of Minutes for Planning and Zoning Commission Meeting of September 24, 2025](#)

IV. PUBLIC BUSINESS FROM THE FLOOR

V. NEW BUSINESS

1. [Approval of Recommendation to City Council to Authorize a Gravel Lease for Knik Construction Co. on a 21.3 Acre Portion of Parcel E 1, Tract A, ASLS 79-116, According to Plat 2002-12 and Tract C-1, ASLS 79-116, According to Plat 2002-13.](#)
2. [Approval of a Recommendation to City Council to Authorize a Lease Assignment and Amendment for use of 4380 McKinley Street, Parcel B, ATS 10 owned by the City of Valdez from Harris Sand & Gravel to Knik Construction Co., Inc.](#)

VI. REPORTS

1. Community Development Director's Report

VII. COMMISSION BUSINESS FROM THE FLOOR

VIII. ADJOURNMENT



Legislation Text

File #: 25-0482, **Version:** 1

ITEM TITLE:

Approval of Minutes for the Regular Planning and Zoning Commission Meeting of October 22, 2025

SUBMITTED BY: Jared Chase, Administrative Assistant

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Approve

SUMMARY STATEMENT:

The minutes from the regular Planning and Zoning Commission meeting held on October 22, 2025 are attached for review and approval.

City of Valdez

*212 Chenega Ave.
Valdez, AK 99686*



Minutes - Draft

Wednesday, October 22, 2025

7:00 PM

Regular Meeting

Council Chambers

Planning and Zoning Commission

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. ROLL CALL

Present 6 - Commission Member Stephen Goudreau
Commission Member Rhonda Wade
Commission Member Donald Haase
Commission Member Cherise Beatus
Commission Member Maureen Radotich
Commission Member Christopher Moulton

Absent 1 - Commission Member Caleb Metroka

Also Present 2 - Community Development Director Kate Huber
Administrative Assistant Jared Chase

III. PUBLIC BUSINESS FROM THE FLOOR

IV. NEW BUSINESS

- 1. **Approval of a Recommendation to City Council for a Lease with Central Environmental, Inc. for an approximately 2-acre portion of USS 439 (Pipeyard) Owned by the City of Valdez**

MOTION: Commission Member Goudreau moved, seconded by Commission Member Beatus, to approve a recommendation to City Council for a lease with Central Environmental, Inc. for an approximately 2-acre portion of USS 439 (Pipeyard) owned by the City of Valdez.

Sean Holland, the lease applicant, and Community Development Director Kate Huber, explained the reasoning for the lease and process. It was noted that storage was needed due to material located on site having to be shipped out by barge. Holland shared that no petroleum or petroleum byproducts would be stored on site.

VOTE ON MOTION

Yay: 6 - Goudreau, Wade, Haase, Beatus, Radotich, and Moulton

Absent: 1 - Metroka

MOTION CARRIED

V. REPORTS

1. Community Development Director's Report

Director Kate Huber gave a verbal update on the Title 16 Subdivision Code project. Huber noted that a draft had been reviewed by department staff, the City Attorney, the City Manager and the Public Works Director. She indicated that the next steps were public review and Planning and Zoning Commission review prior to City Council approval.

Huber reminded commissioners about upcoming term expirations.

VI. COMMISSION BUSINESS FROM THE FLOOR

Commissioner Beatus notified the commission that she would not be reapplying for the commission.

VII. ADJOURNMENT



Legislation Text

File #: 25-0483, **Version:** 1

ITEM TITLE:

Approval of Minutes for Planning and Zoning Commission Meeting of September 24, 2025

SUBMITTED BY: Jared Chase, Administrative Assistant

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Approve

SUMMARY STATEMENT:

The minutes from the regular Planning and Zoning Commission meeting held on September 24, 2025 are attached for review and approval.

City of Valdez

*212 Chenega Ave.
Valdez, AK 99686*



Minutes - Draft

Wednesday, September 24, 2025

7:00 PM

Regular Meeting

Council Chambers

Planning and Zoning Commission

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. ROLL CALL

Present 6 - Commission Member Stephen Goudreau
Commission Member Donald Haase
Commission Member Cherise Beatus
Commission Member Maureen Radotich
Commission Member Caleb Metroka
Commission Member Christopher Moulton

Absent 1 - Commission Member Rhonda Wade

Also Present 2 - Community Development Director Kate Huber
Administrative Assistant Jared Chase

III. APPROVAL OF MINUTES

1. Approval of Minutes from the Planning & Zoning Commission Meeting June 14th, 2023.

The minutes from June 14, 2023 were approved.

2. Approval of Minutes from Planning and Zoning Commission Meeting of May 24, 2023.

It was requested that additional details of discussion items be added to the minutes of May 24, 2023. Staff indicated that the edits would be made and the minutes resubmitted for approval at a future meeting.

IV. PUBLIC HEARINGS

1. Public Hearing for the Proposed Rezone of 1001 Airport Road (Tract C-1, ASLS 79-116, Plat 2002-13) to Heavy Industrial (HI).

Chair Haase opened the public hearing. No public was present.

V. NEW BUSINESS

1. Approval of Final Plat for Spruce Tree Subdivision – A Subdivision of Lot 2, Tract 3, US Survey No. 3538, Plat No. 2003-7, Creating Lots 2A, 2B, and 2C, Spruce Tree Subdivision.

MOTION: Commission Member Goudreau moved, seconded by Commission Member Radotich, to approve the final plat for Spruce Tree Subdivision - a subdivision of Lot 2, Tract 3, US Survey No. 3538, Plat No. 2003-7, creating Lots 2A, 2B, and 2C Spruce Tree Subdivision.

Commissioner Moulton wanted to ensure that the lots would eventually be required to connect to city water.

Chair Haase voiced agreement with staff findings.

VOTE ON MOTION

Yay: 6 - Goudreau, Haase, Beatus, Radotich, Metroka, and Moulton

Absent: 1 - Wade

MOTION CARRIED

- 2. **Approval of a Recommendation to the City Council to Authorize the Rezone of 1001 Airport Road (Tract C-1, ASLS 79-116, Plat 2002-13) to Heavy Industrial (HI).**

MOTION: Commission Member Goudreau moved, seconded by Commission Member Radotich, to approve a recommendation to City Council to authorize the rezone of 1001 Airport Road (Tract C-1, ASLS 79-116, Plat 2002-13) to Heavy Industrial (HI).

Commissioner Goudreau requested context on why the rezone was required.

Director Huber explained that the existing gravel pit covers two parcels, one parcel zoned as Heavy Industrial and the other zoned as Public Lands.

VOTE ON MOTION

Yay: 6 - Goudreau, Haase, Beatus, Radotich, Metroka, and Moulton

Absent: 1 - Wade

MOTION CARRIED

VI. REPORTS

- 1. **Report: Issuance of Temporary Land Use Permit 25-10 for the Valdez Convention and Visitors Bureau, Inc. for 161 Galena Drive (Lot 31, Block 33 Mineral Creek Subdivision), 310 Galena Drive (Lots 15 & 16, Block 35, Mineral Creek Subdivision) and 180 Galena Drive (Lots 11 & 12, Block 35, Mineral Creek Subdivision) owned by the City of Valdez.**
- 2. **Report: Issuance of Temporary Land Use Permit 25-11 to Seward Sauna, LLC for use of an Approximately 300 Square Foot Portion of ASLS 79-117 (1300 West Egan Drive) owned by the City of Valdez.**

- 3. **Community Development Director’s Report**

Director Huber shared about the upcoming business development workshop and noted a presentation by Community Development staff.

VII. COMMISSION BUSINESS FROM THE FLOOR

Commissioner Moulton inquired about the design for snow shedding in the Alaska Corporation for Affordable Housing development. Director Huber provided information regarding the design submittal and PUD process.

VIII. ADJOURNMENT



Legislation Text

File #: 25-0484, **Version:** 1

ITEM TITLE:

Approval of Recommendation to City Council to Authorize a Gravel Lease for Knik Construction Co. on a 21.3 Acre Portion of Parcel E 1, Tract A, ASLS 79-116, According to Plat 2002-12 and Tract C-1, ASLS 79-116, According to Plat 2002-13.

SUBMITTED BY: Bruce Wall, Senior Planner

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Approve recommendation to City Council for a gravel lease application for Knik Construction Co. on a 21.3-acre portion of Parcel E 1, Tract A, ASLS 79-116, according to Plat 2002-12 and Tract C-1, ASLS 79-116, according to Plat 2002-13, subject to the conditions contained in the summary statement.

SUMMARY STATEMENT:

Knik Construction Co. has submitted an application for a gravel lease on 35.7 acres located at 1001 Airport Road. For the past 23 years this property was part of a gravel lease to Harris Sand and Gravel. Harris Sand and Gravel has indicated that they do not wish to continue the gravel lease at this location and Knik Construction is in the process of purchasing the assets of Harris Sand and Gravel.

Parcel C-1 has recently been rezoned to Heavy Industrial.

A phase 1 environmental assessment was done on the property in 2022, and Harris Sand and Gravel recently had an additional environmental assessment completed. These assessments revealed some Recognized Environmental Conditions (RECs) on the property; specifically, soil staining associated with above-ground storage containers being used for petroleum products. These RECs are in the process of being remediated and we anticipate getting a remediation completion letter from Alaska Department of Environmental Conservation soon.

Lease Area Information

Property Owner: City of Valdez

Acreage: Tract C-1 - 14.40 acres, portion of Parcel E 1 - 21.30 acres. 35.70 total acres.

Access: Airport Road via adjacent State land.

Current Uses: Gravel extraction

Adjacent Uses: Gravel extraction, airport, campground, and landfill (construction and demolition).

Zoning District: Heavy Industrial

Adjacent Zoning Districts: Heavy Industrial, Public Lands, Light Industrial, and Airport

Comprehensive Plan Place Type: Industrial Hub

Application Process

The Community Development Department received a gravel lease application on August 11, 2025. An updated gravel lease application was accepted on October 22, 2025.

Community Development staff has determined that the applicant meets the qualification requirements contained in VMC 4.08.040. Community Development staff has reviewed the application and has determined that the application contains the information required in VMC 4.08.050.

Natural resource extraction is permitted in the Heavy Industrial District with a conditional use permit. A conditional use permit for this property was approved on April 15, 2002, for gravel extraction; however, gravel extraction was restricted to the southern parcel (E 1). It is anticipated that Knik Construction will submit a conditional use permit application at a later date to allow extraction on the northern parcel also.

The Valdez Comprehensive Plan designates the place type for this property as Industrial Hub. The plan states that the Industrial Hub place type is characterized by land uses that generally have more impacts on the environment and surrounding land uses and may have the potential to affect the public health and safety due to sound, odors, and vibrations.

The applicant has requested a 20-year lease of the property for gravel extraction. Staff is recommending a 5-year lease. The City's 2005 Property Management Policy and Procedures manual states, "Leases of City land should not be for greater than five years, unless it is in the public interest for the City to enter into a longer-term lease." VMC 4.08.130 states, "The term of a lease shall depend upon the desirability of the proposed use, the amount of investment in improvements proposed and made, and the nature of the improvement proposed with respect to the time required to amortize the proposed investment."

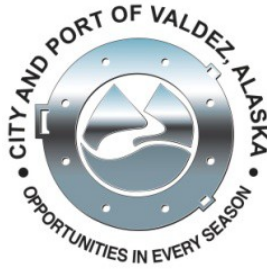
Recommended Lease Conditions

1. The City will have a volumetric survey done on the property to determine existing contours and quantity of stockpiled material prior to establishment of the lease agreement. The applicant will be responsible for reimbursing the City for the cost of the volumetric survey.
2. The City will have a land survey completed to more accurately describe the lease boundary on Parcel E 1. The applicant will be responsible for reimbursing the City for the cost of the land survey.
3. The Lessee shall be responsible for the restoration of the land and removal or reversion of improvements upon termination of lease, as required by VMC 4.08.260.
4. Gravel extraction shall be limited to Parcel E 1 unless a Conditional Use Permit is obtained for material resource extraction on Parcel C-1.
5. Uses on the property shall be limited to gravel extraction and to that which directly is in

support of gravel extraction. Any storage of imported material or storage of equipment that is not actively being used in the gravel extraction is prohibited without a separate land lease.

6. The initial annual minimum payment of \$3,000 with a charge of \$0.60 per cubic yard for every cubic yard of gravel over 5,000 extracted each year. The rate of \$0.60 per cubic yard of material was set by City Council resolution in 1992.

7. The lease shall not be effective until after public notice is provided pursuant to VMC 4.08.160.



CITY OF VALDEZ APPLICATION FOR GRAVEL LEASE

Application Fee: \$50.00 (Fee waived per Resolution #12-02)

This form is to be completed by an individual or an organization proposing to lease City-owned land. Complete in full and to the best of your knowledge. Please explain any omissions and use additional pages where appropriate. If requested, proprietary and financial information of applicants that is so marked will be kept confidential.

The completed application shall be returned to the Valdez Community Development Department located in City Hall.

1. Name of Individual Completing Application Form:

Name: Troy Gray Phone: 907-245-1865
Daytime/ Message

Mailing Address: 6520 Kulis Dr. Anchorage, AK 99502

2. If other individual(s) or an organization(s) will be a party to this application, indicate below. Attach additional pages as needed:

a) Name Dan Hall Phone: 907-245-1865

Mailing Address 6520 Kulis Dr. Anchorage, AK 99502

Relationship to other applicant(s) associate

b) Organization's name Knik Construction Co., Inc.

Address 6520 Kulis Dr. Anchorage, AK 99502

Primary Contact: Troy Gray

Title: Construction Coordinator & Business Development Manager

Daytime Phone #: 907-545-0578

3. Type of Organization: (Check one)

Individuals _____
General Partnership _____
Limited Partnership _____
Other _____

Business Corporation
Non-Profit Corporation
Non-Profit Association

If non-profit, has IRS Tax Exempt Status been obtained? Yes ___ No ___

If yes, attach letter of determination. n/a

Note: Please submit, as appropriate, the following items with this application:

1. Current Alaska business license;
2. Designation of signatory authority to act for organization of other individuals;
3. Certificate and articles of incorporation;
4. Partnership agreement and amendments;
5. Charter/by-laws for non-profits;
6. Most recent annual financial statement;

4. Legal Description affected by application:

Located in Township 8S Range 6W Section, 36 Meridian Copper River

Lot/ Block/ Tract/ Subd. Tract C-1 & Parcel E1 Tract A Plat # 2002-12

Reference attached Maps

Other Description Harris Airport Pit

Tax # _____ No. of Acres Total 35.7 Ac. (21.3 Ac. of E1, 14.4 ac. C-1)

5. Describe proposal. Attach a narrative for further description and a site plan (the description should include the use; value and nature of improvements to be constructed; the type of construction; and, the estimated dates for construction to commence and be completed).

Knik is applying for the gravel lease to the non depleted area of the existing Harris Airport Pit City Gravel Lease.

6. What is the term of the lease desired?

20 years

7. If the request for a lease is at less than fair market value, provide justification. request existing rates

8. Please state why you believe it would be in the "Best interest of the City" to approve your proposal and process your application.

Knik Construction will provide continuity as the local gravel supply operator as HSG winds down operations.

9. Current status of land. Describe any existing improvements, provide photographs if possible.

Gravel pit with crusher, screen and asphalt plants. Knik intends to upgrade asphalt plant. We will continue to responsibly develop the property to provide local aggregate needs.

10. Has applicant previously purchased or leased City land or resources: () Yes (x) No
If yes, provide legal description, type or purchase or lease, and status.

11. If applicant is a business operation, list present business activities:

Statewide Heavy Civil Contractor. We operate multiple gravel and asphalt production operations throughout the state.

12. If required, are you prepared to spend funds for the following:

YES	NO	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	a) Performance bond
<input type="checkbox"/>	<input checked="" type="checkbox"/>	b) Damage deposit [will file AK DNR Reclamation Plan & bond for assurance]
<input checked="" type="checkbox"/>	<input type="checkbox"/>	c) General liability insurance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	d) Worker's compensation insurance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	e) Survey and platting
<input type="checkbox"/>	<input type="checkbox"/>	f) Appraisal fee
<input type="checkbox"/>	<input type="checkbox"/>	g) Closing fees, which may include title insurance, document preparation, escrow closing, and recording
<input checked="" type="checkbox"/>	<input type="checkbox"/>	h) Any federal, state and local permits required
<input type="checkbox"/>	<input type="checkbox"/>	i) Maintenance costs (present or future)

13. List three (3) credit or business references:

Name	Address	Phone #
<u>See attached</u>		

14. Has applicant or affiliated entity, ever filed a petition for bankruptcy, been adjudged bankrupt or made an assignment for the benefit of creditors?

no

15. Is applicant, or affiliated entity, now in default on any obligation to, or subject to any unsatisfied judgment of lien? () Yes () No If yes, please explain:

no

COMPLETE THE FOLLOWING APPLICANT QUALIFICATION STATEMENT FOR EACH INDIVIDUAL APPLICANT OR ORGANIZATION. ATTACH ADDITIONAL STATEMENTS IF NEEDED.

APPLICANT QUALIFICATION STATEMENT

I, Troy Gray
(Individual Name)

I, _____
(Individual Name)

I, Troy Gray On Behalf of Knik Construction Co., Inc.
(Representative's Name) (Organization's Name)

6520 Kulis Dr.
(Address)

Anchorage, AK 99502
(City, State) (Zip)

do hereby swear and affirm for myself as applicant or as representative for the organization noted above that:

- The Applicant is a citizen of the United States, over the age of nineteen; and
- If a group, association or corporation, is authorized to conduct business Under the laws of the State of Alaska; and
- Has not failed to pay a deposit or payment due the City in relation to City-owned real property in the previous five (5) years; and
- Is not currently in breach or default on any contract or lease for real Property transactions in which the City has an interest; and
- Has not failed to perform under or is not in default of a contract with the City; and
- Is not delinquent in any tax payment to the City.

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED HEREIN IS TRUE TO MY KNOWLEDGE.

Troy Gray 8-11-25
Applicant Signature Date

Applicant Signature Date

Troy Gray
Print Name

Print Name

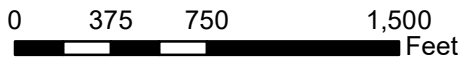
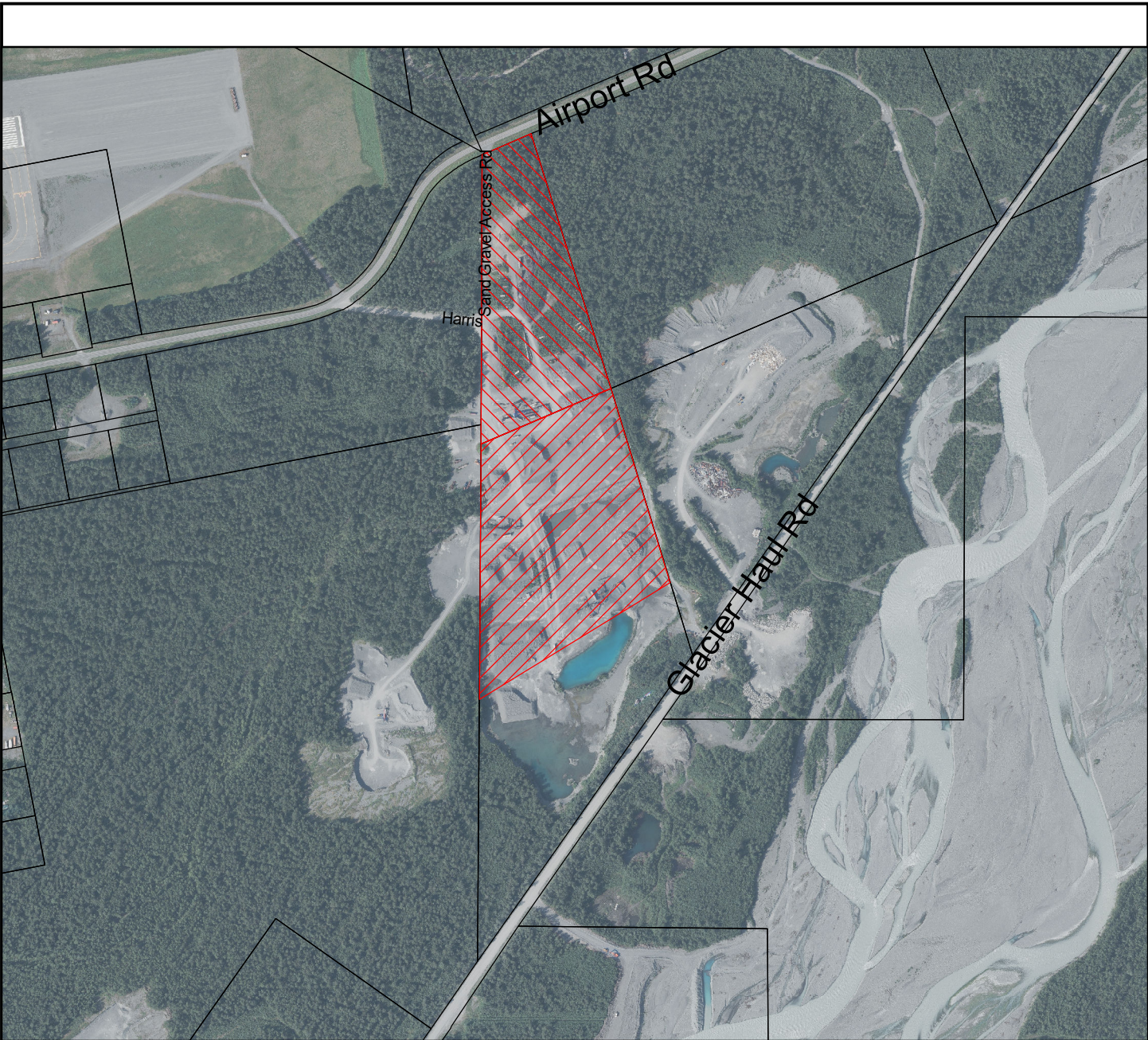


Requested Lease Limits - - - - -



City of Valdez Gravel Pit Lease



DRAWN BY: TG	DATE: 8/08/2025	FIELD BOOK: N/A
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Date: 11/4/2025

Author: Community Development Department

Legend

-  Parcel C-1
-  Proposed Lease Portion of Parcel E 1



Legislation Text

File #: 25-0485, **Version:** 1

ITEM TITLE:

Approval of a Recommendation to City Council to Authorize a Lease Assignment and Amendment for use of 4380 McKinley Street, Parcel B, ATS 10 owned by the City of Valdez from Harris Sand & Gravel to Knik Construction Co., Inc.

SUBMITTED BY: Nicole Chase, Senior Planner

FISCAL NOTES:

Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:

Approval of a recommendation to City Council to authorize a lease assignment and amendment for use of 4380 McKinley Street, Parcel B, ATS 10 owned by the City of Valdez from Harris Sand & Gravel to Knik Construction Co., Inc.

SUMMARY STATEMENT:

Community Development staff received the attached lease application and lease transfer request to transfer the existing lease from Harris Sand & Gravel to Knik Construction, Co., Inc. for use of 4380 McKinley Street, Parcel B ATS 10 (plat 98-35) for a barge loading and unloading facility. Harris Sand & Gravel maintains a dock and stores a barge at this location.

Harris Sand & Gravel has leased this property for over twenty years. The first agreement spanned from June 1, 1998-May 31, 2003 and was in holdover on a month-to-month tenancy until 2016. In 2022, Harris Sand & Gravel secured a new lease, with a number of conditions, including that Harris Sand & Gravel be required to pay port tariffs on the materials moved through the barge location and that the city of Valdez be able to utilize the leased area and improvements during an emergency (see Exhibit B referenced in the lease). This is the lease Knik Construction is requesting to assume.

The Ports and Harbor Director and City Manager were solicited for comments on the lease transfer application, and recommended section 3.09 of the lease be amended to require regular reporting of the amount of material moved through the location annually.

Lease Term

Knik Construction, Co., Inc. has requested to take over Harris's existing lease term, expiring May 31,

2043.

Annual Rental Value

The annual rental value for this lease is set as 10% of appraised value. Appraisals are ordered every five years, and the rent adjusted at that time. The most recent appraisal was done in April, 2022 and valued the property at \$38,000.00 The next appraisal is due in 2027. The property is also subject to possessory interest taxation.

Permitting required

Harris holds required US Army Corps of Engineers (USACE) permit for the development, which expires November 2026. Knik will be required to obtain any permits required by the USACE. Knik will also be required to obtain any required floodplain development permits for work in the special flood hazard area.

Zoning

The property is zoned light industrial, which allows barge freight terminals pursuant to 17.16.040-1.

Comprehensive Plan

The lease location is also within an “area of significant environmental constraint”, as designated by the development suitability map for Plan Valdez (p. 10) Areas with this designation have been assessed by the comprehensive plan process to be subject to increased risks of geophysical hazards including flooding and liquefaction. As a tideland property, this location is subject to tsunami inundation risk. The technical memorandum assessment in Plan Valdez regarding soil stability states, “potentially liquefiable soils have been identified throughout Valdez and are especially prevalent in the vicinity of Old Town Valdez. During the 1964 earthquake, wide-scale liquefaction and lateral spreading occurred in the old townsite, and modern investigations such that the risk is still present (PND 2019.) (p. 60 Plan Valdez.)

Additionally, DOWL Engineers 1983 “Old Town Hazard Assessment” designates this property as seismically-induced hazard “Zone A.” This assessment concluded, “the geology of Port Valdez, the subsurface soil conditions in and about the Old Valdez townsite, and the potential for strong earthquake shaking in the area significantly influence the stability of the old townsite.” Zone A is, “an area very highly susceptible to seismically induced ground failure” and the report concludes “no structures or utilities should be constructed in Zone A. Temporary marine loading facilities and storage areas might be allowed, if the risks to life and property can be justified on an individual project needs basis” (p. 16 Old Town Hazard Assessment.)

When this lease was established in 2022, it conditioned that Harris Sand & Gravel staff and contractors should only be on the site during active construction and site reclamation of the facility, during active docking of vessels, and loading and unloading of trucks and vessels, and that Harris should sign a written acknowledgment of the hazard area. Upon assuming this lease, Knik Construction Co., Inc. would also need to sign a written acknowledgement of the hazard area and agree that staff and contractors should only be on the site during active construction and site reclamation of the facility, during active docking of vessels, and loading and unloading of trucks and vessels.

The Ports and Harbors Commission voted to approve a recommendation to City Council on October 20, 2025.

All other terms and conditions of the existing lease shall remain in full force and effect.

If Council approves this lease, staff will work with the City Attorney, Knik Construction, and Harris Sand & Gravel to execute a lease assignment and amendment.

TIDELAND LEASE

THIS LEASE is effective as of this 23rd day of November, 2022 between the **CITY OF VALDEZ**, a municipal corporation organized under the laws of the State of Alaska, whose address is P.O. Box 307, Valdez, Alaska 99686, hereinafter referred to as “LESSOR”, and **HARRIS SAND & GRAVEL**, whose address is P.O. Box 6, Valdez, Alaska 99686, hereinafter referred to as “LESSEE”.

Based upon the foregoing recitals LESSOR and LESSEE agree as follows:

I- PROPERTY

1.01. Lease of Property. LESSOR leases to LESSEE and LESSEE leases from LESSOR the property depicted in Exhibit “A” attached hereto, and more specifically described as follows:

Parcel B, ATS 10, Plat #98-35
(See Exhibit A)

1.02. Quiet Enjoyment, Restrictions, Easements, Etc. LESSOR covenants and agrees that LESSEE, upon paying rent and other charges herein provided for and observing and keeping the covenants, conditions and terms of this Lease on LESSEE’S part to be kept of performed, shall lawfully and quietly hold, occupy and enjoy the Property during the term of this Lease without hindrance or molestation, subject, however, to the rights and reservations expressed in this Lease, the U.S. Patent to the Property, the State of Alaska Patent to the Property, existing easements for roads, gas, electric, water, sewer and other utility lines, restrictions of record and to encroachments ascertained by physical inspection of the Property.

Excepting and reserving therefrom, to LESSOR and its assigns during the term of this Lease, the following specific interests, which shall be in addition to and not in derogation of any general reservations to LESSOR which are required by law and which many be stated elsewhere in this Lease:

- (a) If at any time during the Lease, LESSEE attempts to assign this Lease or transfer control over the Property to another or the Property is devoted to another use, without the consent of LESSOR, this Lease shall automatically terminate.
- (b) The Alaska Constitution guarantees any citizen of the United States or resident of the state the right of access to navigable waters and the land beneath them for navigation, commerce, fishing and other purposes. This tide and submerged land Lease is subject to the principles of the Public Trust Doctrine. LESSOR reserves the right to grant other interests to the Property consistent with the Public Trust Doctrine as long as said interests will not unreasonably interfere with the use of the Property by LESSEE.
- (c) All survey monuments, witness corners, reference monuments and bearing trees shall be protected by LESSEE against damage, destruction, or obliteration. Any damages, destroyed or obliterated markers shall be reestablished by LESSEE at LESSEE’S expense in accordance with accepted survey practices of the State of Alaska Department of Natural Resources.

- (d) All fuel petroleum and other toxic products maintained, stored or used at the Property shall be stored no less than 100 feet away from the nearest surface waterbody, and contained and confined in a manner which prevents any spillage from entering the Property, including without limitation any surface waters. In the event of a fuel or other toxic product spill, LESSEE shall immediately notify the Valdez office of the Department of Environmental Conservation of the same.
- (e) LESSEE must maintain on hand at all times sorbent materials in sufficient quantity to handle operational spills for use in the event of a fuel or other toxic product spill.
- (f) LESSEE is responsible for all aspects of the maintenance and operation of the Property and the leasehold
- (g) LESSEE is responsible for survey and environmental assessment costs as deemed necessary by LESSOR.

1.03. Property Accepted "As Is". LESSEE acknowledges that it has inspected the Property and accepts the same "as is" and without reliance on any representations or warranties of LESSOR, its agents, representatives, or employees, as to the physical condition of the Property, including, but not limited to, subsurface and soil conditions, or as to its fitness or habitability or for any particular purpose, or otherwise.

1.04. No Subsurface Rights. This Lease confers no mineral rights or rights with regard to the subsurface of the land below the level necessary for the use of the Property as stated in this Lease. LESSOR makes no warranty or representation, as whether the Property is open or closed to mineral claims or leases under state or federal law.

1.05. Appraisal. LESSEE is responsible for the cost of appraisal for the purposes of determining fair rental value.

II - TERM

2.01. Lease Term. The initial term of this Lease shall be twenty-one (21) years commencing June 1, 2022, and ending on the last day of May, 2043.

2.02. Preference Rights to Re-Lease. LESSEE shall upon expiration of this Lease, and pursuant to Section 4.08.250 of the Valdez Municipal Code, as may be amended from time-to-time, be allowed a preference right to re-lease the Property, provided the LESSEE is not in breach or default of any of the terms or conditions of the Lease at the time of Lease expiration, unless it shall be determined by LESSOR that the renewal of this Lease is not in the best interests of LESSOR.

2.03. Application to Re-lease. If, at the expiration of this Lease, the LESSEE desires to re-lease the Property, LESSEE shall, not sooner than ninety calendar days and not later than sixty calendar days prior to the expiration, make application to re-lease the Property. The re-lease application shall certify the character and value of all improvements placed by LESSEE on the Property, the purpose and lengths for

which the re-lease is desired, and any other information that LESSOR may require. Applications to re-lease shall be submitted to the same application review as new applications for lease, pursuant to Section 4.08.250 of the Valdez Municipal Code as may be amended from time-to-time.

2.04. Hold-Over. If LESSEE shall holdover after the expiration of the term of this Lease such tenancy shall be from month to month, subject to all the terms, covenants and conditions of this Lease.

2.05. Surrender of Possession. Upon expiration of the term of this Lease, whether by lapse of time or otherwise, LESSEE shall promptly and peaceably surrender the Property, and all buildings and improvements thereon, except as provided in Article XVII of this Lease, and LESSEE shall execute, acknowledge and deliver to LESSOR a proper instrument in writing, releasing and quitclaiming to LESSOR all right, title and interest of LESSEE in and to the Property and all such improvements thereon.

III - RENT, TAXES, ASSESSMENTS AND UTILITIES

3.01. Rent. The LESSEE shall pay to LESSOR an annual rent of ten percent (10%) of the fair market appraised value fair rental value in accordance with Valdez Municipal Code 14.04.020, which value, subject to the adjustment provisions set forth below, is determined to be \$3,800.00. An annual payment of rent shall be made in advance not later than the first day of June of each year of the Lease. Rent for any partial year shall be prorated at the rate of 1/12th of the annual rent per month or portion thereof. Rent shall be payable at the office of the City of Valdez, P.O. Box 307, Valdez, Alaska 99686, or at such other place as LESSOR may designate in writing. Delinquent rent shall bear interest at the maximum rate of interest allowed per annum.

3.02. Adjustment of Rent. The Property will be reappraised and the annual rent accordingly adjusted every five (5) years thereafter during the term of this Lease. Such appraisal will be based on the value of the Property and shall not include the value of buildings or improvements placed on the Property by LESSEE. The appraised value of the Property for the purposes of determining the annual rental amount shall be by an appraisal done by a State of Alaska license appraiser of LESSOR'S selection. In no event, however, shall the annual rent be less than the original annual rent set forth in paragraph 3.01. Nothing in this paragraph shall prevent the annual reassessment of the leased premises for tax purposes to determine its true value as provided by law. Within ninety (90) days of the effective date of any amendment to the Valdez Municipal Code altering the minimum required rent for lease of city property, LESSOR and LESSEE shall amend this Lease to comply with the Valdez Municipal Code. In the event LESSEE refuses to execute such an amendment, LESSEE shall be in default.

3.03. LESSEE to Pay Taxes. LESSEE shall pay prior to delinquency and directly to the taxing authorities in which the Property is located all real property taxes on the Property and all personal property taxes levied on personal property situated on the Property and placed thereon by LESSEE, its agents, authorized representatives, or employees. LESSEE shall further pay prior to delinquency any other taxes for which it may be liable. LESSEE shall, within thirty (30) days after such tax, assessment or other charge, whether or not constituting a lien on the Property, shall become due and payable, produce and exhibit to LESSOR satisfactory evidence or payment thereof.

3.04. LESSEE to Pay Assessments. LESSEE during the term of this Lease shall pay directly to the public authorities charged with collection thereof any and all assessments levied on the Property for any part or all of the costs of any public work or improvement assessed according to benefit found by levying authority to accrue therefrom to the Property, provided, however, that if an option is given to pay such assessment(s) in installments, LESSEE may elect to pay the same in installments, and in such case LESSEE shall be liable only for such installments as shall accrue during the term of this Lease. LESSOR warrants and represents that there are currently no outstanding assessments levied on the Property for any part or all of the cost of any public work or improvement constructed by LESSOR.

3.05. Proration of Taxes and Assessments. If LESSEE'S obligation to pay taxes or assessment commences or ends during a tax year, such obligation shall be prorated between LESSOR and LESSEE.

3.06. Contest. LESSEE shall have the right to contest any taxes or assessments, which LESSEE is obligated to pay under paragraphs 3.03 or 3.04 of this Lease. Such proceedings shall, if instituted, be conducted promptly at LESSEE's own expense and free from all expense to LESSOR. Before instituting any such proceedings, LESSEE shall pay under protest any such taxes or assessments, or shall furnish to LESSOR a surety bond written by a company acceptable to LESSOR or other security acceptable to LESSOR, sufficient to cover the amount of such taxes or assessments, with interest for the period which such proceedings may reasonably be expected to take, and costs, securing the payment of such taxes or assessments, interest and costs in connection therewith when finally determined. Notwithstanding the furnishing of any such bond or security, LESSEE shall pay any such taxes or assessments at least thirty (30) days before the time when the Property or any part thereof, might be forfeited. The proceedings referred to in this paragraph 3.06 shall include appropriate appeals from any order or judgements therein, but all such proceedings shall be begun as soon as reasonably possible after the imposition or assessment of any such taxes or assessments and shall be prosecuted to final adjudication promptly. In the event of any reduction, cancellation or discharge, LESSEE shall pay the amount that shall be finally levied or assessed against the Property or adjudicated to be due and payable, and, if there shall be any refund payable by the governmental authority with respect thereto, LESSEE shall be entitled to receive and retain the same, subject, however, to apportionment as provided in paragraph 3.05 of this Lease. LESSOR, at LESSOR's option and expense, may, but shall not be obligated to, contest any such taxes or assessments. In such event, LESSOR shall be entitled to receive and retain any refund payable by any governmental authority with respect thereof.

3.07. LESSEE to Pay Utility Charges. LESSEE shall pay or cause to be paid all charges for gas, oil, electricity, water, sewer, heat, snow removal refuse removal and any and all other utilities or services used upon the Property throughout the term of this Lease, including any connection fees.

3.08. Additional Rent and LESSOR's Right to Cure LESSEE's Default. All costs and expenses which LESSEE assumes or agrees to pay pursuant to this Lease shall, at LESSOR's election, be treated as additional rent, and, in the event of nonpayment, LESSOR shall have all rights and remedies provided in this Lease in the case of nonpayment of rent or of a breach of condition, at LESSOR's election. If LESSEE shall default in making any payment required to be made by LESSEE or shall default in performance of any term, covenant or condition of this Lease on the part of LESSEE to be kept, performed or observed which shall involve the expenditure of money by LESSEE, LESSOR at LESSOR's option may, but shall

not be obligated perform or observe such term, covenant or condition, and any and all sums to expended by LESSOR, with interest thereon at the maximum allowable rate of interest per year from the date of such expenditure until repaid, shall be, and shall be deemed to be, additional rent and shall be repaid by LESSEE to LESSOR, on demand, provided, however, that no such payment or expenditure by LESSOR shall be deemed a waiver of LESSEE's default, nor shall it affect any remedy of LESSOR by reason of such default.

3.09. Payment of Port Tariffs. Per section 6 of Resolution #22-34, also incorporated in Exhibit B, LESSEE is required to pay port tariffs for freight moved through the Property.

IV - USE

4.01. Use. LESSEE shall use the Property for the operation and maintenance of a barge loading and unloading facility and for no other purposes, subject to the conditions set forth in Exhibit B LESSEE shall not conduct any illegal activities on the Property or maintain any nuisances on the Property.

V - IMPROVEMENTS

5.01. Notice of Construction. No improvements may be made to the Property without first obtaining LESSOR'S written consent and required permit(s) from the Alaska Corps of Engineers and any other permits required by other 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 Alaska Statute 34.35, as may be amended from time-to-time.

5.02. Development Requirements. 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 paragraph 4.01 must be approved by the LESSOR and in the absence of such approval may, at LESSOR's option, constitute grounds for termination of this Lease. Specific development restrictions and conditions for this Lease include those outlined in Exhibit B.

5.03. LESSEE's Ownership of Buildings and Improvements. It is expressly understood and agreed that any and all buildings and improvements of any nature whatsoever constructed or maintained on the Property by LESSEE shall be and retain the property of LESSEE and may be removed or replaced by LESSEE at any time during the term of this Lease, subject, however, to paragraph 17.01 of this Lease.

5.04. Construction Prerequisites. No construction shall be commenced unless the following events have occurred:

- (a) LESSEE shall furnish to LESSOR certificates of insurance in the amounts and for the purposes specified in Article X.
- (b) LESSEE shall from time to time deliver to LESSOR satisfactory proof that worker's

compensation insurance has been procured to cover all persons employed in connection with the construction. Notice of any deficiency in this area to LESSEE will be cured immediately and no work will be performed on the project until the LESSOR has satisfactory proof that proper worker's compensation insurance is in place.

- (c) LESSEE shall obtain all necessary city, state, federal or other required building permits.

VI - TRADE FIXTURES

6.01. LESSEE's Ownership of Trade Fixtures, Machinery and Equipment. It is expressly understood and agreed that any and all trade fixtures (including electrical fixtures), machinery, equipment or any nature whatsoever and other personal property of LESSEE at any time placed or maintained upon the Property by LESSEE shall be and remain property of the LESSEE and may be removed or replaced at any time during the term of this Lease.

VII - ASSIGNMENT AND SUBLETTING

7.01. Assignment/Encumbrances/Subletting. LESSEE shall not voluntarily assign or encumber its interest in this Lease or in the Property, or sublet all or any part of the Property, or allow any other person or entity (except LESSEE's authorized representatives) to occupy or use all or any part of the Property without first obtaining LESSOR's consent. Any assignment, encumbrance or sublease without LESSOR's consent shall be voidable and, at LESSOR's election, shall constitute default. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this paragraph. If LESSEE is a partnership, a withdrawal or change, voluntary, involuntary or by operation of law, of any partner or partners owning fifty percent (50%) or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If LESSEE is a corporation, any dissolution, merger, consolidation or other reorganization of LESSEE, or the sale or other transfer of a controlling percentage of the capital stock of LESSEE, or the sale of fifty-one percent (51%) of the value of the assets of LESSEE, shall be deemed a voluntary assignment. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least fifty-one percent (51%) of the total combined voting power of all classes of LESSEE's capital stock issued, outstanding and entitled to vote for the election of directors. As to a corporation the stock of which is traded through an exchange or over the counter, a sale or other transfer of a controlling percentage of the capital stock of such LESSEE's corporation will not be deemed to be a voluntary assignment. Any assignment affected pursuant to this paragraph 7.01 shall require the assignee to assume the LESSEE's obligations hereunder. LESSEE shall promptly deliver to LESSOR a copy of any assignment instrument. Any assignment shall not release the LESSEE from liability hereunder.

7.02. Assignment of Rents to LESSOR. LESSEE immediately and irrevocably assigns to LESSOR, as security for LESSEE's obligations under this Lease, all rent from any subletting of all or part of the Property as permitted by this Lease, and LESSOR, as assignee and attorney-in-fact for LESSEE or a receiver for LESSEE appointed on LESSOR's application, may collect such rent and apply it toward LESSEE's obligations under this Lease, except that, until the occurrence of an act of default by LESSEE, LESSEE shall have the right to collect such rent.

7.03. Costs of LESSOR'S Consent to Be Borne by LESSEE. LESSEE shall pay to LESSOR, on demand, reasonable costs, including attorney's fees, incurred by LESSOR in connection with any request by LESSEE for LESSOR to consent to any assignment subletting by LESSEE.

VIII - LIENS

8.01. Prohibition of Liens. LESSEE shall not suffer or permit any liens, including without limitation, mechanic's or materialman's liens, to be recorded against the Property. If any such liens shall be recorded against the Property, LESSEE shall cause the same to be removed, or, in the alternative, if LESSEE in good faith desires to contest the same, LESSEE shall be privileged to do so, but in such case LESSEE shall indemnify and hold LESSOR harmless from all liability for damages occasioned thereby and shall, in the event of a judgement of foreclosure of such liens, cause the same to be discharged and removed prior to any attempt at execution of such judgement. Nothing contained in this Lease shall be construed to be a waiver of the provisions of AS 09.38.015(c), as may be amended from time to time.

IX - INDEMNITY

9.01. Indemnity. Except for claims arising solely out of acts or omissions of LESSOR, its agents, authorized representatives, employees or contractors, LESSEE agrees to protect, defend, indemnify and hold LESSOR, its agents, authorized representatives and employees (collectively "LESSOR's Indemnities") harmless from and against any and all liability arising from acts or omissions of any person and of any nature whatsoever occurring on or relating to the Property, causing injury to, or death of persons, or loss of, or damage to, property, and from any expense, including attorney's fees, incident to the defense of and by LESSOR's Indemnities therefrom. If any action or proceeding is brought against LESSOR's Indemnities by reason of any such occurrences, LESSOR's Indemnities shall promptly notify LESSEE in writing of such action or proceeding.

9.02 Waiver of Subrogation. For the purpose of waiver of subrogation, LESSEE releases and waives all rights to claim or recover damages, costs or expenses against LESSOR for any casualty of any type whatsoever in, on or about the Premises if the amount of such damage, cost or expense has been paid to such damaged party under the terms of any policy of insurance required herein.

X - INSURANCE

10.01. Insurance Requirement. LESSEE shall, at its own expense, purchase, maintain and otherwise keep in force the following insurance for the duration of this Agreement. LESSOR shall be notified no fewer than thirty (30) days prior to any termination, cancellation, or any other material change in such insurance. LESSEE shall provide LESSOR the insurance policy including all endorsements prior to the commencement of any activity undertaken in connection with this Lease.

General Liability: Covering LESSEE and LESSOR for any and all claims for personal injury, bodily injury (including death) and property damage (including environmental degradation or contamination) arising from any activity occurring as a result of this Lease.

Minimum limits: \$1,000,000 Each Occurrence
 \$100,000 Damage to Rented Premises
 \$5,000 Medical Payments
 \$1,000,000 Personal & Adv Injury
 \$2,000,000 General Aggregate
 \$2,000,000 Products and Completed Operations Aggregate

The City of Valdez shall be included as an Additional Insured.

Auto Liability (if applicable): LESSEE shall maintain business auto liability insurance covering liability arising out of any auto (including owned, hired, and non-owned autos).

Minimum Limits: \$1,000,000 Combined single limit each accident

The City of Valdez shall be included as an Additional Insured.

Workers' Compensation: LESSEE shall maintain Workers' Compensation and Employer's Liability Insurance.

Minimum Limits: 1. Workers' compensation – statutory limit
 2. Employer's liability:
 \$100,000 bodily injury for each accident
 \$100,000 bodily injury by disease for each employee

Waiver of Subrogation. For the purpose of waiver of subrogation, LESSEE releases and waives all rights to claim or recover damages, costs or expenses against LESSOR for any casualty of any type whatsoever in, on or about the Premises if the amount of such damage, cost or expense has been paid to such damaged party under the terms of any policy of insurance required herein.

XI - CARE OF PROPERTY

11.01. Care of the Property. LESSEE at its own cost and expense shall keep the Property and all buildings and improvements, which at any time may be situated thereon, in good condition and repair during the term of this Lease, ordinary wear and tear expected. The Property shall always be kept by LESSEE neat, clean, and free of litter. Vehicles, equipment, supplies, materials or other items or personal property shall be stored on the Property in a neat, orderly, and safe manner. LESSOR reserves the right to cause LESSEE to change the manner of storage if potential for hazard or public nuisance is found. Nothing in this paragraph shall prevent the temporary placement of building materials and equipment necessary for the construction of the structures permitted under this Lease in the areas where the structures are to be constructed, nor shall this section be applicable to general parking for guests and employees.

11.02. Restoration or Removal of Damaged Buildings and Improvements. In the event any buildings or improvements situated on the Property by LESSEE are damaged or destroyed by fire or other casualty,

LESSEE shall at LESSEE's expense restore the same to good and tenantable conditions or shall, at LESSOR's option remove the same as soon as is reasonably possible, but in no event shall the period of restoration exceed eighteen (18) months nor shall the period of removal exceed forty-five (45) days.

11.03. Access Rights of LESSOR. LESSOR, its agents, authorized representatives or employees, shall have the right to enter into and upon the Property and all buildings or improvements situated thereon upon 24 hour notice to LESSEE and during normal business hours (defined as 9:00 a.m. to 5:00 p.m. Monday through Friday except for holidays as defined in paragraph 15.05 of this Lease) for the purpose of inspecting the Property and all buildings or improvements situated thereon for compliance with the terms of this Lease.

11.04. Nuisances Prohibited. LESSEE shall immediately remove from the Property any abandoned or junk vehicles, improvements, equipment, machinery or fixtures. LESSEE shall not permit any nuisance or public nuisance to exist or to be created or maintained on the Property. LESSEE agrees that any nuisance or public nuisance as defined by the Valdez Municipal Code or any other code or regulations incorporated therein or otherwise adopted by ordinance or resolution of the City of Valdez, may, after five (5) days written notice to LESSEE, be removed by LESSOR without LESSEE's further permission, with use of force if necessary, and without incurring any civil or criminal liability therefor, all the costs of such removal to be paid by LESSEE to LESSOR as additional rent under the terms of this Lease. This paragraph shall not be construed as any limitation on any other legal rights or remedies available to the City of Valdez to abate any nuisance or to prosecute any violation of the Valdez Municipal Code.

XII - LAWS

12.01. Compliance with Laws. LESSEE shall comply with all applicable laws, ordinances and regulations of duly constituted public authorities now or thereafter in any manner affecting LESSEE's activities on the Property or any buildings or other improvements which may be situated thereon, whether or not any such laws, ordinances or regulations which may be thereafter enacted involve a change of policy on the part of the governmental body enacting the same.

XIII - CONDEMNATION

13.01. Condemnation. In the event the Property, or any part thereof or interest therein, shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, the interests of LESSOR and LESSEE in the award or consideration for such transfer and the effect of the taking or transfer upon this Lease shall be as provided in this Article XIII.

13.02. Total Taking. If all of the Property is taken or so transferred, this Lease and all the right, title and interest thereunder of LESSEE shall cease on the date title to the Property vests in the condemning authority, subject to the removal provisions in Article XVII if applicable.

13.03. Partial Taking - Termination of Lease. In the event the taking or transfer of part of the Property leaves the remainder of the Property in such location, or in such form, shape or reduced size, or so inaccessible as to be not effectively and proactively usable in the reasonable opinion of LESSEE for the

purpose of operation thereon of LESSEE's business, then this Lease and all of the right, title and interest thereunder of LESSEE shall cease on the date title to the Property vests in the condemning authority, and the condemning authority enters into possession, subject to the removal provisions of Article XVII if applicable.

13.04. Partial Taking - Continuation of Lease. In the event the taking or transfer of part of the Property leaves a portion of the remainder of the Property in such location and in such form, shape or size, or so accessible as to be effectively and proactively usable in the reasonable opinion of LESSEE for the purpose of operation thereon of LESSEE's business, this Lease shall terminate and end as to the portion of the Property so taken or transferred as of the date title to such portion vests in the condemning authority and the condemning authority enters into possession, but shall continue in full force and effect as to the portion of the Property not so taken or transferred. Any partial use by LESSEE remains subject to LESSOR's right to use the Property in the event of an emergency per Exhibit B. If there is a partial taking and this Lease is not terminated, then the annual rent payable under this Lease shall abate for the portion of the Property taken in the proportion that such portion bears to all of the Property.

13.05. Compensation. Compensation received or payable as a result of eminent domain proceedings or a transfer in lieu thereof shall belong to LESSOR, if such compensation be awarded or paid as compensation for diminution in value for the leasehold or of the fee, and LESSEE shall make no claim against LESSOR for damages for termination of the leasehold or interference with LESSEE's business unless LESSOR is the condemning authority or responsible for condemnation. Compensation received or payable as a result of eminent domain proceedings or a transfer in lieu thereof shall belong to the LESSEE, if such compensation be awarded or paid as compensation for LESSEE's moving expense, for interference with LESSEE's business, and for damages relating to any trade fixtures, machinery or equipment owned by the LESSEE. Upon award each party shall be responsible for pro-rata share of the attorney's fees incurred in direct proportion to the total amount recovered for their respective losses.

XIV - DEFAULT

14.01. Default. Each of the following events shall be deemed an event of default by the LESSEE under this Lease and a breach of the terms, covenants and conditions of this Lease.

- (a) Failure to perform as required and when required any of the development requirements contained in paragraph 5.02 of this Lease.
- (b) A default in the payment of the rent and additional sums due under this Lease, or any part thereof, for a period of sixty (60) days from the due date for the payment of such rent or additional sums.
- (c) A default in the performance of any other term, covenant or condition on the part of the LESSEE to be kept, performed or observed for a period of sixty (60) days after LESSOR gives to LESSEE a written notice specifying the particular default or defaults; provided, however, that any default on the part of the LESSEE in the performance of work or acts required by LESSEE to be done, or conditions to be modified, shall be deemed to be cured

if steps have been taken promptly by LESSEE to rectify the same and prosecuted to completion with diligence and continuity.

- (d) The making by LESSEE of an assignment for the benefit of creditors, unless given written consent by LESSOR.
- (e) The appointment of a receiver by a court of competent jurisdiction for LESSEE's business.
- (f) The levy under execution or attachment by process of law of the leasehold interest of LESSEE in the Property if not cured within sixty (60) days.
- (g) The use of the Property or buildings and improvements thereon for purposes other than those enumerated herein, to which LESSOR has not given its written consent.
- (h) The abandonment of the Property by LESSEE.
- (i) The occurrence of any event giving rise to cancellation or forfeiture of this Lease as stated in section 4.08.190 of the Valdez Municipal Code, as may be amended from time-to-time.

14.02. LESSOR's Remedies. In the event of any default by LESSEE's recited in paragraph 14.01 of this Lease, LESSOR shall have all of the below enumerated rights and remedies, all in addition to any rights and remedies that LESSOR may be given by statute, common law or otherwise. All rights of LESSOR shall be cumulative, and none shall exclude any other right or remedy. LESSOR's rights and remedies include the following:

- (a) LESSOR may declare the term of this Lease ended by written notice to LESSEE. Upon termination of this Lease, LESSEE shall surrender possession and vacate the Property immediately, and deliver possession thereof to LESSOR, and LESSEE hereby grants to LESSOR full and free license to enter into and upon the Property in such event with or without process of law and to reprocess the Property and to expel or remove any and all property therefrom, using such force as may be necessary, and without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing LESSOR's right to rent or any other right given to LESSOR hereunder or by operation of law.
- (b) LESSOR may by written notice declare LESSEE's right to possession of the Property terminated without terminating this Lease. Upon such termination of LESSEE's right to possession, LESSOR shall have all the rights to repossess the Property and remove LESSEE and LESSEE's property that are enumerated in paragraph 14.02(a), subject to LESSEE's rights under Article XVII. Should LESSOR elect to terminate LESSEE's right to possession without terminating this Lease, LESSEE shall have the right to re-possession upon cure of the default or upon written waive by the LESSOR of the default claimed.

- (c) LESSOR may relet the Property in whole or in part for any period equal to or greater or less than the remainder of the term of this Lease, for any period equal to or greater or less than the remainder of the term of this Lease, for any sum which LESSOR may deem reasonable, except as provided in subparagraph (e) of this paragraph, subject to the applicable sections of Chapter 4.08 of Valdez Municipal Code and LESSEE's rights under Article XVII. Any sums collected shall be credited to any indebtedness of LESSEE pursuant to the conditions described in paragraph 14.02(e) (ii).
- (d) LESSOR may collect any and all rents due or to become due from subtenants or other occupants of the Property. Any sums collected shall be credited to any indebtedness of LESSEE pursuant to the conditions described in paragraph 14.02(e) (ii) with any excess amounts being paid to LESSEE.
- (e) LESSOR may recover, whether this Lease be terminated or not, from LESSEE, damages provided for below consisting of items (i), and (ii), or, in lieu of (ii), item (iii);
 - (i) Actual attorney's fees and other expenses incurred by LESSOR by reason of the breach or default by LESSEE; and
 - (ii) An amount equal to the amount of all rent and additional sums reserved under this Lease, less the net rent, if any, collected by LESSOR on reletting the Property and less any amounts recovered from the sale of attached personal property or improvements on the Property, which shall be due and payable by LESSEE to LESSOR on the days on which the rent and additional sums reserved in this Lease would have become due and payable; that is to say, upon each of such days LESSEE shall pay to LESSOR the amount of deficiency then existing. Such net rent collected all expenses incurred by LESSOR in connection with the reletting of the Property, or any part thereof, including broker's commission and the cost of removing any improvements made by LESSEE in order to return the property to its pre-rent condition, however, LESSOR must take diligent effort in reletting the Property to obtain a rental rate as close to or above that required of LESSEE under this Lease or else LESSOR will not have access to the remedy set out in this paragraph 14.01(e)(ii); or
 - (iii) An amount to be due immediately on the breach, equal to the difference between the rent and the fair and reasonable rental value of the Property for the same period. In the computation of such damages the difference between any installment of rent thereafter becoming due and the fair and reasonable value of the Property for the period for which such installment was payable shall be discounted to the date of such breach at the rate of eight percent (8%) per year.

- (f) Reentry or reletting of the Property or any part thereof, shall not be deemed a termination of this Lease, unless expressly declared to be so by LESSOR.
- (g) If this Lease shall be deemed terminated, LESSEE's liabilities shall survive and LESSEE shall be liable for damages as provided in this paragraph 14.02.

XV - GENERAL PROVISIONS

15.01. Estoppel Certificates. Either party shall at any time and from time to time upon not less than thirty (30) days prior written request by the other party, execute, acknowledged and deliver to such party, or to its designee, a statement in writing certifying that this Lease is unamended and in full force and effect (or, if there has been any amendment thereof, that the same is in full force and effect as amended and stating the amendment or amendments), that there are no defaults existing, (or, if there is any claimed default, stating the nature and extent thereof); and stating the dates to which the rent and other charges have been paid in advance.

15.02. Conditions and Covenants. All the provisions of this Lease shall be deemed as running with the land, and shall be construed to be "conditions" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

15.03. No Waiver of Breach. No failure by either LESSOR or LESSEE to insist upon the strict performance by the other of any term, covenant or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such terms, covenants or conditions. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other than existing or subsequent breach.

15.04. Time of Essence. Time is of the essence of this Lease and of each provision.

15.05. Computation of Time. The time in which any act provided by this Lease is to be done is computed by excluding the first (1st) day and including the last, unless the last day is a Saturday, Sunday, or a holiday and then it is also excluded. The term "holiday" shall mean all holidays as defined by the statutes of Alaska.

15.06. Successors in Interest. Each and all of the terms, covenants and conditions in this Lease shall insure to the benefit of and shall be binding upon the successors in interest of LESSOR and LESSEE.

15.07. Entire Agreement. This Lease contains the entire agreement of the parties with respect to the matters covered by this Lease, and no other agreement, statement or promise made by any party which is not confined in this Lease shall be binding or valid.

15.08. Governing Law/Jurisdiction/Venue. This Lease shall be governed by, construed and enforced in accordance with the laws of the State of Alaska. Any litigation arising out of the enforcement of rights or performance of the parties under this Lease, or its interpretation, shall be brought in the courts of the State of Alaska, Third Judicial District at Valdez.

15.09. Partial Validity. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated, unless such provisions are considered by LESSEE to be integral to LESSEE's use of the Property for the purposes stated therein in which case LESSEE will have the authority to terminate this Lease upon thirty (30) days written notice to LESSOR.

15.10. Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between LESSOR and LESSEE; and neither the method of computation of rent, nor any other provision contained in this Lease nor any acts of the parties, shall be deemed to create any relationship between LESSOR and LESSEE other than the relationship of LESSOR and LESSEE.

15.11. Interpretation. The language in all parts of this Lease shall in all cases be simply construed according to its fair meaning and not for or against LESSOR or LESSEE as both LESSOR and LESSEE have had opportunity for the assistance of attorneys in drafting and reviewing this Lease.

15.12. Number and Gender. In this Lease, the neuter gender includes the masculine and the feminine, and the singular number includes the plural; the word "person" includes corporation, partnership, firm or association wherever the context so requires.

15.13. Mandatory and Permissive. "Shall", "will" and "agrees" are mandatory; "may" is permissive.

15.14. Captions. Captions of the paragraphs of this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease.

15.15. Amendment. This Lease is not subject to amendment except in writing executed by all parties hereto.

15.16. Delivery of Notices - Method and Time. All notices, demands or request from one party to another shall be delivered in person or be sent by mail, certified or registered, postage prepaid, to the addresses states in paragraph 15.17 and shall be deemed to have been given at the time of delivery or, if mailed, three (3) days after the date of mailing.

15.17. Notices. All notices, demands and requests from LESSEE to LESSOR shall be given to LESSOR at the following address:

City Manager
City of Valdez
P.O. Box 307
Valdez, Alaska 99686

All notices, demands or requests from LESSOR to LESSEE shall be given to LESSEE at the following address:

Harris Sand & Gravel
P.O. Box 6
Valdez, Alaska 99686

15.18. Change of Address or Agent. Each party shall have the right, from time to time, to designate a different address or different agent for service of process by notice given in conformity with paragraph 15.16.

15.19. Furnishing of Information. LESSEE shall provide LESSOR with copies of articles of incorporation and bylaws, partnership agreements, joint venture agreements or other documents which shall define the manner of organization and the ownership of any business or activities to be conducted upon the Property, together with all future amendments thereto. LESSEE and LESSEE's assignee or sublessee shall also provide the same information regarding any assignee or sublessee of LESSEE.

15.20. Recordation. This Lease or a memorandum thereof may be recorded by LESSEE at LESSEE's expense with the Valdez Recorder's Office.

XVI - LESSOR'S LIEN

16.01. LESSOR'S Lien and Security Interest. LESSOR shall have a lien on, and LESSEE hereby grants LESSOR a security interest on, improvements, equipment and fixtures, which are or may be put on the premises by LESSEE, to secure the payment of the rent and additional sums reserved under this Lease. If LESSEE shall default in the payment of such rent, LESSOR may, at its option, without notice or demand, take possession of and sell such property in accordance with the Uniform Commercial Code of Alaska or other applicable law. LESSOR shall apply the proceeds of sale as follows:

- (a) To the expense of sale, including all costs, fees and expenses of LESSOR and LESSOR's reasonable attorney's fees in connection with such sale;
- (b) To the payment of such rent; and
- (c) The surplus, if any, to LESSEE.

XVII - OWNERSHIP OF IMPROVEMENTS AND FIXTURES ON TERMINATION

17.01. LESSEE May Remove Improvements, Fixtures, Machinery and Equipment. Improvements, fixtures, machinery and equipment owned by LESSEE may be removed by LESSEE from the Property within sixty (60) days after the expiration or termination of this Lease; provided that such removal will not cause injury or damage to the Property, or if it does, LESSEE shall indemnify LESSOR for the full amount of such damage; and further provided that any improvements, fixtures, machinery or equipment left on the property by LESSEE shall be in good, safe and tenantable or operable condition; and further provided that

LESSEE shall not commit, create, leave or allow to exist on the Property any nuisance or public nuisance. The LESSOR may extend the time for such removal in case hardship is shown to LESSOR's satisfaction, provided application for extension has been made in writing and received by LESSOR within said sixty (60) day period.

17.02. Property Not Removed. Any buildings, improvements, fixtures, machinery, equipment or other items of real or personal property, which are not removed from the Property within the time allowed in paragraph 17.01 of this Lease, shall immediately become the property of LESSOR and title hereto shall vest in LESSOR without further action on the part of LESSEE or LESSOR. LESSOR may use, sell, destroy, or otherwise dispose of any such property in any matter that it sees fit, without further obligation to LESSEE.

XVIII - NONDISCRIMINATION

18.01. LESSEE Will Not Discriminate. LESSEE agrees that in its use and occupancy of the Property it will not, on the ground of race, color, religion, national origin, ancestry, marital status, age, disability or sex, discriminate or permit discrimination against any prospective occupant, patron, customer, employee, application for employment or other person or group of persons in any manner prohibited by federal, state or local law or regulations promulgated thereunder.

XIX - HAZARDOUS MATERIALS

19.01. Condition of Property. LESSEE has had full opportunity to visually examine the Property for the presence of any Hazardous Material. LESSOR states that it is unaware of any current or past problems with the Property. LESSEE acknowledges that LESSOR, its agents, authorized representatives or employees have made no representations as to the physical conditions of the Property, including but not limited to the subsurface and soil conditions. LESSEE accepts the Property in an "as is" condition. LESSEE does not accept or assume responsibility or liability for pre-existing subsurface and/or soil conditions, including, but not limited to Hazardous Materials and/or Environmental contamination that is unknown and/or undisclosed to LESSEE at the time of execution of this Lease.

19.02. Release of LESSOR. Any other provision of this Lease to the contrary notwithstanding, LESSEE releases LESSOR from any and all claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs or expenses (including, without limitation, a decrease in the value of the Property, damages due to loss or restriction of usable space, and attorney's fees, court costs, litigation expenses, and consultant and expert fees) arising, during or after the term of this Lease, and resulting from LESSEE's use, keeping, storage or disposal of HAZARDOUS MATERIAL on the Property. This release includes, without limitation, any and all costs incurred due to any investigation of the site or any cleanup, removal or restoration mandated by a federal, state or local agency or policy subdivision or by law, relating to LESSEE's use, keeping, storage or disposal of Hazardous Materials on the Property.

19.03. Use of Hazardous Materials on the Property.

- (a) LESSEE shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Property by LESSEE or its authorized representatives or invitees, except for such Hazardous Material as is necessary or useful to LESSEE's use of the Property.
- (b) Any Hazardous Material permitted on the Property as provided in this paragraph, and all containers therefor, shall be used, kept, stored and disposed of in a manner that complies with all laws or regulations applicable to any such Hazardous Material.
- (c) LESSEE shall not discharge, leak or emit, or permit to be discharged, leaked or emitted, any material into the atmosphere, ground, sewer system or any body of water, if such material (as reasonably determined by the LESSOR, or any governmental authority) does or may, pollute or contaminate the same, or may adversely affect (a) the health, welfare or safety of persons, whether located on the Property or elsewhere, or (b) the condition, use or enjoyment of the Property or any other real or personal property.
- (d) LESSEE shall be fully liable for all costs and expenses related to the use, storage and disposal of Hazardous Material kept on the Property by the LESSEE, its authorized representatives and invitees, and the LESSEE shall give immediate notice to the LESSOR of any violation or potential violation of the provisions of subparagraphs 19.03 (a), (b) and (c).

19.04. Indemnification of LESSOR. LESSEE shall forever protect, defend, indemnify and hold harmless LESSOR from and against any and all losses, claims, investigations, assertions, liens, demands and causes of action of every kind and character (including without limitation any assertions or claims made against LESSOR, LESSEE or third parties, by government agencies or third parties, alleging the release or threatened release of hazardous substances or environmental contamination of any kind on or in connection with the Property) and all costs thereof (including without limitation costs of removal action, remedial action other "response costs" as that term is defined under applicable federal and state law, attorney's fees, penalties, damages, interest and administrative/court costs incurred by LESSOR in response to and defense of the same) arising in favor any party, including LESSOR, and arising from or connected with LESSEE's activities under this Lease or LESSEE's use of or presence on the Property, whether such activities, use or presence are those of LESSEE or LESSEE's agents, subcontractors or other representatives. LESSEE acknowledges that this indemnification clause shall survive termination of this Lease, and that it applies regardless of the basis of liability alleged by or against any party, including strict liability under Alaska Statute 46.03.822 or federal law. LESSEE's obligations under this paragraph may be discharged however, by performance of whatever degree of site investigation for environmental contamination (in LESSOR's sole discretion) is necessary to render the Property suitable for LESSOR to release LESSEE from these obligations, which release must be granted in writing by LESSOR.

19.05. Hazardous Material Defined. Hazardous Material/Substance is any substance which is toxic, ignitable, reactive, or corrosive and which is regulated by any local government, the State of Alaska, or the United States government. Hazardous Material includes any and all material or substances which are defined as "hazardous waste", "extremely hazardous waste", "hazardous material" or a "hazardous substance" pursuant to local, state or federal law, including without limitation, the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder, and the

Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated thereunder. "Hazardous Material" includes but is not restricted to asbestos, polychlorobiphenyls ("PCB's") and petroleum and petroleum products.

19.06. Liability for Release/Threatened Releases of Hazardous Materials. LESSEE shall at all times while this Lease is in effect, for purposes of potential liability under Alaska Statute 46.03.822.:

1. LESSEE, not LESSOR, shall be deemed the owner of and person having control over any hazardous substances used by LESSEE or on the Property for business reasons of LESSEE; and
2. LESSEE, not LESSOR, shall be deemed the owner of the possessory interest under this Lease, and the operator of the Property as a facility under Alaska Statute 46.03.822(a)(2); and
3. LESSEE, not LESSOR, shall be deemed the generator, transporter, or both, of any hazardous substances generated or transported by LESSEE in connection with the enjoyment of its right under this Lease.

For purposes of this paragraph 19.06., "LESSEE" shall include LESSEE's agents, employees, sub-contractors, subsidiaries, affiliates and representatives or any kind.

19.07. Compliance with Environmental Laws. Lessee covenants full compliance with any applicable federal, state or local environmental statute, regulations or ordinance presently in effect or that may be amended or effective in the future.

19.08. Due Diligence. At LESSOR's recommendation, LESSEE has investigated the Property for potential environmental contamination, which may have occurred before the date of this Lease; LESSEE accept the Property in its current environmental condition. After such investigation, LESSEE agrees that the Property:

- (a) Has not been subject to the use, generation, manufacture, storage, treatment, disposal release or threatened release or hazardous substances.
- (b) Has not been subject to any actual or threatened assertions, claims or litigation of any kind by government agencies or any other persons relating to such matters.

19.09. Access to Property. LESSEE authorizes LESSOR to enter upon the Property to make such inspections and tests as LESSOR may deem appropriate to determine compliance with this Lease; any such investigations or tests shall be for LESSOR's purposes only, and shall not be construed to create any responsibility or liability on LESSOR's part to LESSEE or any person.

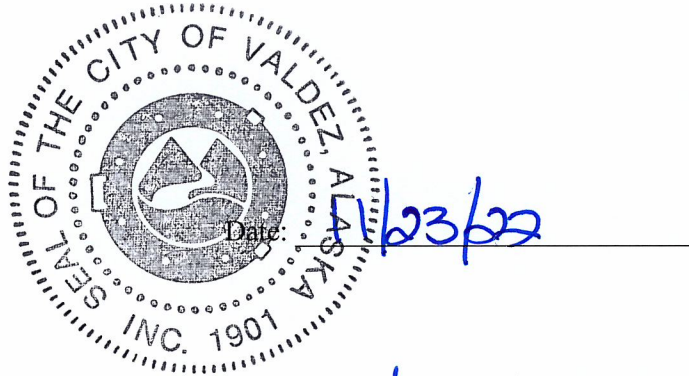
19.10. Release from Future Claims. LESSEE hereby releases and freely waives any future claims against LESSOR for contribution or indemnity (whether under AS 46.03.822. other state law, or federal law) in the event LESSEE incurs or becomes liable for response costs, damages or costs of any kind because of the release, threatened release or presence of hazardous substances on or about the Property.

19.11. Report of Events. LESSEE specifically agrees to report all releases, threatened releases, discharges, spills or disposal of hazardous substances in whatever quantity, immediately to the appropriate regulatory authorities and simultaneously to LESSOR, and to keep LESSOR fully informed of any communication between LESSEE and any person or agency concerning potential or actual environmental contamination and hazardous substances.

IN WITNESS WHEREOF, the parties hereto have set their hands and seal the dates herein below set forth.

LESSOR:
CITY OF VALDEZ

By: Sharon Scheidt
Sharon Scheidt, Mayor



Attest: Sheri L. Pierce
Sheri L. Pierce, MMC, City Clerk

Date: 11/23/22

LESSEE:

HARRIS SAND & GRAVEL
By: Bill Harris
Bill Harris, Owner



APPROVED AS TO FORM:

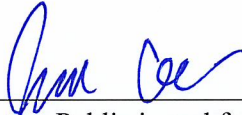
BRENA, BELL & WALKER, P.C.
Attorneys for City of Valdez

By: Jon S. Wakeland
Jon S. Wakeland

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 17 day of Nov, 2020, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared **Bill Harris** known to me and to me known to be the individual named in and who executed the foregoing document and executed the foregoing document as free and voluntary act and deed for the uses and purposes therein set forth.

WITNESS my hand and notarial seal the day and year first hereinabove written.



Notary Public in and for Alaska
My Commission Expires: 8-18-2022

EXHIBIT A

ZONED LI

USS 439



SCALE 1" = 200'

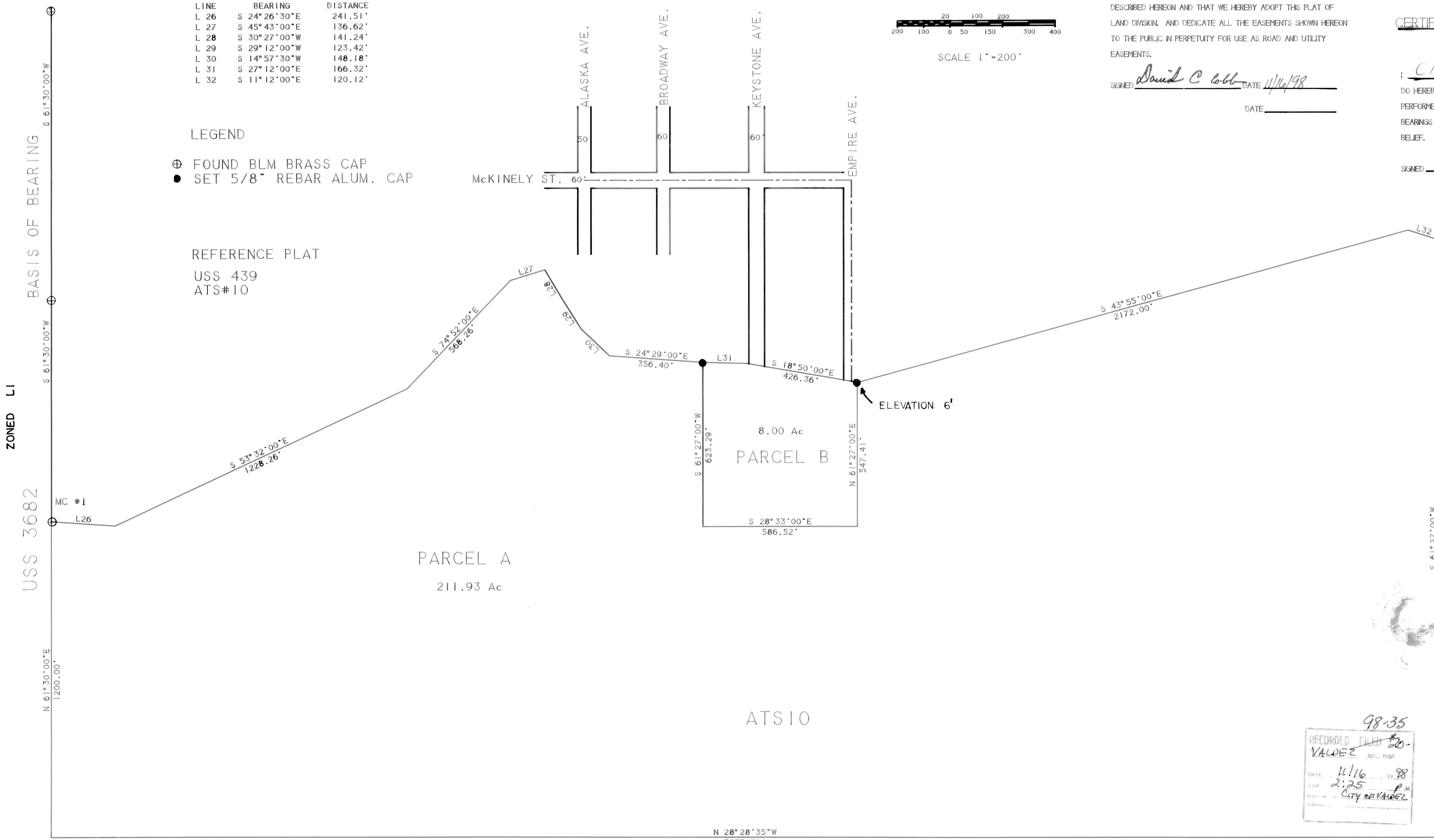
LINE	BEARING	DISTANCE
L 26	S 24° 26' 30" E	241.51'
L 27	S 45° 43' 00" E	136.62'
L 28	S 30° 27' 00" W	141.24'
L 29	S 29° 12' 00" W	123.42'
L 30	S 14° 57' 30" W	148.18'
L 31	S 27° 12' 00" E	166.32'
L 32	S 11° 12' 00" E	120.12'

LEGEND

- ⊕ FOUND BLM BRASS CAP
- SET 5/8" REBAR ALUM. CAP

REFERENCE PLAT

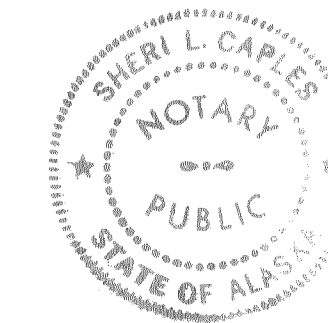
USS 439
ATS#10



ACKNOWLEDGEMENT of NOTARY
STATE OF ALASKA, THIRD JUDICIAL DISTRICT

THIS IS TO CERTIFY THAT ON THIS 14th DAY OF November
BEFORE ME, A NOTARY OF THE PUBLIC IN AND FOR THE STATE OF
ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED

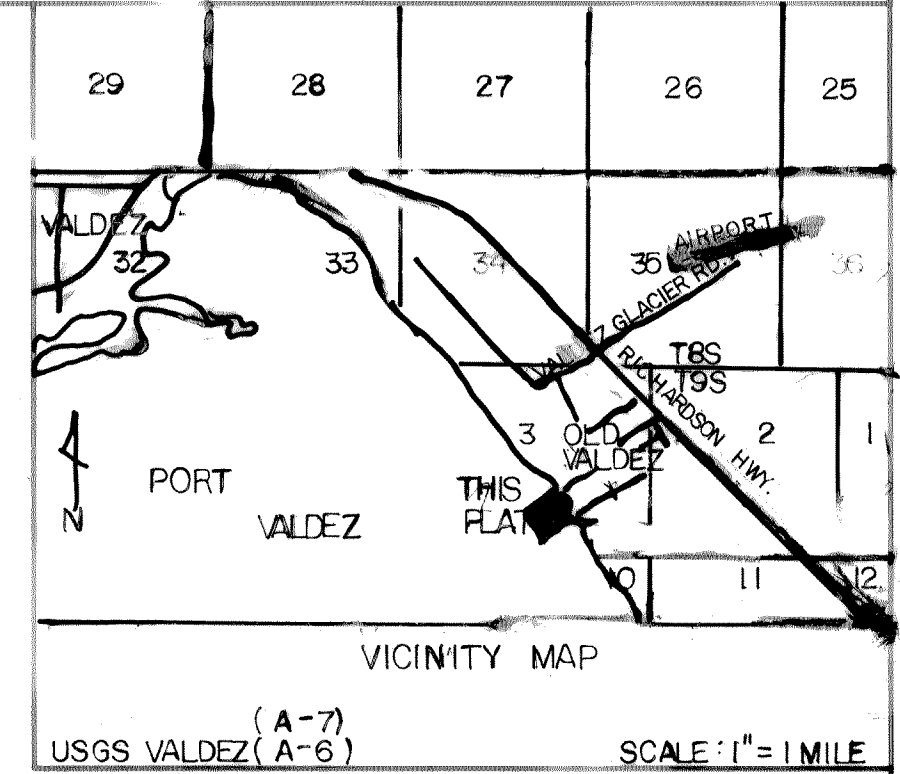
David C. Cobb
WHO SIGNED THIS PLAT AS OWNER OF THIS PROPERTY.
NOTARY OF THE PUBLIC Sheri L. Caples
MY COMMISSION EXPIRES 11/18/2001



CERTIFICATE of OWNERSHIP and DEDICATION

WE City of Valdez DO HEREBY
CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND
DESCRIBED HEREON AND THAT WE HEREBY ADOPT THIS PLAT OF
LAND DIVISION, AND DEDICATE ALL THE EASEMENTS SHOWN HEREON
TO THE PUBLIC IN PERPETUITY FOR USE AS ROAD AND UTILITY
EASEMENTS.

SIGNED David C. Cobb DATE 11/16/98
DATE _____



CERTIFICATE of REGISTERED LAND SURVEYOR

I Clyde E. Rull REGISTERED LAND SURVEYOR,
DO HEREBY CERTIFY THAT THIS PLAT REPRESENTS THE SURVEY
PERFORMED UNDER MY SUPERVISION AND THAT ALL DISTANCES AND
BEARINGS SHOWN HEREON ARE CORRECT TO THE BEST OF MY
BELIEF.

SIGNED Clyde E. Rull
REGISTERED LAND SURVEYOR 3098-S



PLANNING and ZONING COMMISSION

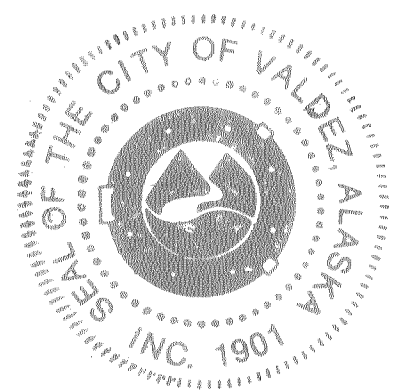
THIS PLAT CONFORMS TO THE REQUIREMENTS OF THIS COMMISSION
AND IS HEREBY APPROVED.

SIGNED [Signature] DATE 11/13/98
CHAIRMAN
PLANNING AND ZONING COMMISSION

CERTIFICATE of PAYMENT OF TAXES

I Sheri Caples, CITY CLERK FOR THE CITY
OF VALDEZ, ALASKA, DO HEREBY CERTIFY THAT ALL TAXES LEVIED
AGAINST THE PROPERTY REPRESENTED BY THIS PLAT ARE PAID AS
OF November 16, 1998

CITY CLERK Sheri Caples DATE 11/16/98



98-35
RECORDED FILED 50-
VALDEZ
DATE 11/16 1998
TIME 2:25 PM
CITY OF VALDEZ

PREPARED FOR
CITY OF VALDEZ
P.O. BOX 307
VALDEZ, AK.
99686

SURVEYOR:
CERCO ENGINEERING
P.O. BOX 513
VALDEZ, AK.
99686

SUBDIVIDE ATS 10
into
PARCELS A&B ATS 10
SEC. 3 T9S R6W
C.R.M.

FILE:
A:\ATS10-1

DRAWN & CHECKED:
LMM CER

SURVEYED:
7-6-98

SCALE: 1" = 200'

PORT VALDEZ

“EXHIBIT B”

Additional conditions of this Lease per Resolution #22-34 are detailed as follows:

1. All local, state, and federal permitting required shall be obtained by LESSEE, and the conditions of such approvals shall be complied with throughout the duration of the Lease term. All conditions of Corps of Engineers (COE) Permit POA-1998-00882-M1 shall be adhered to throughout the term of the Lease. Failure to comply shall constitute a default of the Lease.
2. LESSEE, including staff and contractors, shall only be permitted on the site during active construction and site reclamation of the facility, during active docking of vessels, and loading and unloading of trucks and vessels. Other persons are not permitted without written authorization from LESSOR.
3. LESSEE shall sign a written acknowledgement of the hazard area.
4. LESSEE shall pay Port tariffs for freight moved through the Lease location.
5. LESSOR shall retain the right to use the property, and its improvements, in the event of an emergency.



Harris Sand & Gravel, Inc.

September 3, 2025

**Mr. Bruce Wall
City of Valdez
PO Box 307
Valdez, Alaska 99686**

RE; Airport Rd. Gravel Pit and Tidelands Lease

Dear Mr. Wall,

I believe you are aware of the recent purchase of most all of HS&G's equipment and the pending sale of other Real property assets.

We should have the Gravel Pit environmental cleanup plan in a few days for your review. HS&G does not wish to renew the gravel lease at the Airport Rd. location. Knik Construction will be applying for a new lease there.

Additionally HS&G wishes to relinquish or transfer preferably it's tidelands lease to Knik Const.

Please advise if you need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Bill Harris', is written over a light blue horizontal line.

**Bill Harris
President**

RECEIVED

By nchase at 12:16 pm, Sep 12, 2025



**CITY OF VALDEZ
APPLICATION FOR LEASE OF CITY OWNED LAND**

Application Fee: \$50.00 (Non-refundable)

FEE WAIVED FOR 2017 PER RES# 12-72

This form is to be completed by an individual or an organization proposing to lease City-owned land. Complete in full and to the best of your knowledge. Please explain any omissions and use additional pages where appropriate. If requested, proprietary and financial information of applicants that is so marked will be kept confidential.

The completed application shall be returned to the Valdez Community & Economic Development Department located in City Hall along with the Application fee.

A deposit of \$3,000 will be required prior to the City initiating any required appraisal or land survey. The deposit will be used to offset the cost of the appraisal and land survey. If additional funds are necessary, the applicant will be billed as part of the lease. If there is a balance, it will be applied to the first year's lease payment. This deposit will be the cumulative amount of any required appraisal, land survey or Phase I environmental analysis according to the following schedule:

- * If a survey and/or appraisal are required: \$3,000
- * If a Phase I Environmental Analysis only is required: \$3,000
- * If a survey or appraisal and Environmental Analysis are required: \$5,000
(Required on all industrial land)

1. Name of Individual Completing Application Form:

Name: _____ Phone: _____
Daytime/ Message

Mailing Address: _____

2. If other individual(s) or an organization(s) will be a party to this application, indicate below. Attach additional pages as needed:

a) Name _____ Phone: _____

Mailing Address _____

Relationship to other applicant(s) _____

b) Organization's name _____

Address _____

Primary Contact: _____

Title: _____

Daytime Phone #: _____

3. TYPE OF ORGANIZATION: (Check one)

Individuals _____

Business Corporation _____

General Partnership _____

Non-Profit Corporation _____

Limited Partnership _____

Non-Profit Association _____

Other _____

If non-profit, has IRS Tax Exempt Status been obtained? Yes ___ No ___

If yes, attach letter of determination.

Note: Please submit, as appropriate, the following items with this application:

1. Current Alaska business license;
2. Designation of signatory authority to act for organization of other individuals;
3. Certificate and articles of incorporation;
4. Partnership agreement and amendments;
5. Charter/by-laws for non-profits;
6. Most recent annual financial statement;

4. Legal Description AFFECTED BY APPLICATION:

Located in Township _____ Range _____ Section, _____ Meridian

Lot/ Block/ Tract/ Subd. _____ Plat # _____

Other Description _____

Tax # _____ No. of Acres _____

5. DESCRIBE PROPOSAL. ATTACH NARRATIVE FOR FURTHER DESCRIPTION AND A SITE PLAN (the description should include the use; value and nature of improvements to be constructed; the type of construction; and, the estimated dates for construction to commence and be completed).

6. WHAT IS THE TERM OF THE LEASE DESIRED?

7. IF THE REQUEST FOR A LEASE AT LESS THAN FAIR MARKET VALUE, PROVIDE JUSTIFICATION.

8. PLEASE STATE WHY YOU BELIEVE IT WOULD BE IN THE "BEST INTEREST OF THE CITY" TO APPROVE YOUR PROPOSAL AND PROCESS YOUR APPLICATION.

9. CURRENT STATUS OF LAND. DESCRIBE ANY EXISTING IMPROVEMENTS, PROVIDE PHOTOGRAPHS IF POSSIBLE.

10. HAS APPLICANT PREVIOUSLY PURCHASED OR LEASED CITY LAND OR RESOURCES? _____YES _____ NO. IF YES, PROVIDE LEGAL DESCRIPTION, TYPE OR PURCHASE OR LEASE, AND STATUS.

11. IF APPLICANT IS A BUSINESS OPERATION, LIST PRESENT BUSINESS ACTIVITIES.

12. IF REQUIRED, ARE YOU PREPARED TO SPEND FUNDS FOR THE FOLLOWING:

- | YES | NO | |
|-------|-------|---|
| _____ | _____ | a) Performance bond |
| _____ | _____ | b) Damage deposit |
| _____ | _____ | c) General liability insurance |
| _____ | _____ | d) Worker's compensation insurance |
| _____ | _____ | e) Survey and platting |
| _____ | _____ | f) Appraisal fee |
| _____ | _____ | g) Closing fees, which may include title insurance, document preparation, escrow closing, and recording |
| _____ | _____ | h) Any federal, state and local permits required |
| _____ | _____ | I) Maintenance costs (present or future) |

13. LIST THREE (3) CREDIT OR BUSINESS REFERENCES:

Name	Address	Phone #
_____	_____	_____
_____	_____	_____
_____	_____	_____

14. HAS APPLICANT, OR AFFILIATED ENTITY, EVER FILED A PETITION FOR BANKRUPTCY, BEEN ADJUDGED BANKRUPT OR MADE AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS?

15. IS APPLICANT, OR AFFILIATED ENTITY, NOW IN DEFAULT ON ANY OBLIGATION TO, OR SUBJECT TO ANY UNSATISFIED JUDGEMENT OF LIEN? _____ YES _____ NO IF YES, EXPLAIN:

COMPLETE THE FOLLOWING APPLICANT QUALIFICATION STATEMENT FOR EACH INDIVIDUAL APPLICANT OR ORGANIZATION. ATTACH ADDITIONAL STATEMENTS IF NEEDED.

APPLICANT QUALIFICATION STATEMENT

I, _____
(Individual Name)

I, _____
(Individual Name)

I, _____ On Behalf of _____
(Representative's Name) (Organization's Name)

(Address)

(City, State) (Zip)

do hereby swear and affirm for myself as applicant or as representative for the organization noted above that:

The Applicant is a citizen of the United States, over the age of nineteen; and

If a group, association or corporation, is authorized to conduct business Under the laws of the State of Alaska; and

Has not failed to pay a deposit or payment due the City in relation to City-owned real property in the previous five (5) years; and

Is not currently in breach or default on any contract or lease for real Property transactions in which the City has an interest; and

Has not failed to perform under or is not in default of a contract with the City; and

Is not delinquent in any tax payment to the City.

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED HEREIN IS TRUE TO MY KNOWLEDGE.

Troy Gray

Applicant Signature Date

Applicant Signature Date

Print Name

Print Name

Comdev/data/forms/LandLease&SalesForms/AppforLeaseofCityLand



6520 Kulis Drive
Anchorage, Alaska 99502
(907)249-0208

9/12/2025

RE: Old Valdez Parcel B Plan Use

To Whom It May Concern,

Knik Construction intends to use the Old Valdez Parcel B area as it has been used over the past 5-10 by previous lessee Harris Sand & Gravel. It will be used for the following purposes:

- Existing 85' wide bulkhead dock will be maintained for loading out barges with construction materials including Riprap of all sizes, gravel, asphalt and equipment for marine related construction jobs in Prince William sound and elsewhere
- Some materials and marine related equipment will be staged there, and the site will also be used to moor and maintain barges and vessels when not in use.

Let me know if you have any additional questions.

Troy Gray | Knik Construction Co., Inc.

Construction Coordinator/Business Development Manager

Office (907) 249-0242 | mobile (907) 545-0578

tgray@lynden.com



Harris Barge Lease Area





DEPARTMENT OF THE ARMY
ALASKA DISTRICT, U.S. ARMY CORPS OF ENGINEERS
REGULATORY DIVISION
P.O. BOX 6898
JBER, AK 99506-0898

Received 12/23/21 - NL

December 1, 2021

Regulatory Division
POA-1998-00882-M1

Harris Sand and Gravel, Inc.
Attention: William Harris
PO Box 6
Valdez, AK 99686

Dear Mr. Harris:

Enclosed is the signed Department of the Army (DA) permit modification, file number POA-1998-00882-M1, Port Valdez. This is the first permit modification of the original permit. Also enclosed is a Notice of Authorization that should be posted in a prominent location near the authorized work.

If changes to the plans or location of the work are necessary for any reason, plans must be submitted to us immediately. Federal law requires approval of any changes before construction begins.

Nothing in this letter excuses you from compliance with other Federal, State, or local statutes, ordinances, or regulations.

Please contact me via email at lucas.j.byker@usace.army.mil, by mail at the address above, by phone at (907) 753-2760, or toll free from within Alaska at (800) 478-2712, if you have questions. For more information about the Regulatory program, please visit our website at www.poa.usace.army.mil/Missions/Regulatory.

Sincerely,

A handwritten signature in black ink, appearing to read "LJ Byker".

Lucas Byker
Regulatory Specialist



DEPARTMENT OF THE ARMY
ALASKA DISTRICT, U.S. ARMY CORPS OF ENGINEERS
REGULATORY DIVISION
P.O. BOX 6898
JBER, AK 99506-0898

December 1, 2021

Regulatory Division
POA-1998-00882-M1

DEPARTMENT OF THE ARMY
PERMIT MODIFICATION

Department of the Army permit number POA-1998-00882, Port Valdez, was issued to Harris Sand & Gravel on 22 December 2015, to construct an approximately 500-foot long by 200-foot wide temporary barge dock comprised of 1.14 acres of intertidal fill.

This is the first modification of the original permit. The permit is hereby modified as follows:

Permanently maintain an existing approximately 500-foot long by 200-foot wide barge dock.

Updated plans, dated 3 September 2021, reflecting the barge dock being a permanent structure are enclosed and made a part of this permit modification.

The project site is located within Section 3, T. 9 S., R. 6 W., Copper River Meridian; Latitude 61.1125° N., Longitude 146.2697° W.; in Valdez, Alaska.

In accordance with your request, General Condition No. 1 of the permit is hereby amended to read as follows:

The time limit for completing the work authorized ends on November 30, 2026. If you find that you need more time to complete the authorized activity, please submit your request for a time extension to the Corps of Engineers for consideration at least one month before permit expiration.

All other conditions under which the subject authorization was made remain in full force and effect.

This authorization and the enclosed modified plans should be attached to the original permit. Also enclosed is a Notice of Authorization that should be posted in a prominent location near the authorized work.

BY AUTHORITY OF THE SECRETARY OF THE ARMY:

A handwritten signature in black ink, appearing to read "L. Byker".

Lucas Byker
Regulatory Specialist



This notice of authorization must be conspicuously displayed at the site of work.

**United States Army Corps of Engineers
Port Valdez**

A permit to: Permanently maintain an existing approximately 500-foot long by 200-foot wide barge dock.

at: Section 3, T. 9 S., R. 6 W., Copper River Meridian; Latitude 61.1125° N., Longitude 146.2697° W.; in Valdez, Alaska

has been issued to: Harris Sand and Gravel, Inc.

on: December 1, 2021 **and expires on:** November 30, 2026

Address of Permittee: Harris Sand and Gravel, Inc., PO Box 6, Valdez, AK 99686

Permit Number:

POA-1998-00882-M1

**FOR: *District Commander*
Lucas Byker
Regulatory Specialist
REGULATORY DIVISION**



Figure 1: Map submitted by the applicant depicting the project footprint.



Figure 2: Overview map showing the project areas location within Valdez.

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806

This is to certify that

KNIK CONSTRUCTION CO., INC

6520 KULIS DR, ANCHORAGE, AK 99502

owned by

KNIK CONSTRUCTION CO., INC.

is licensed by the department to conduct business for the period

November 26, 2024 to December 31, 2026
for the following line(s) of business:

23 - Construction



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Julie Sande
Commissioner



CREDIT APPLICATION

Form of organization: Corporation
Employer's ID number: 92-0049890
Year business started: 1973
State incorporated in: Alaska
D-U-N-S number: 07-097-8358

KNIK CONSTRUCTION CO., INC. IS A WHOLLY OWNED SUBSIDIARY OF LYNDEN INCORPORATED

Officers: Dan Hall, President
Parry Rekers, Vice President
Ji Kim, Assistant Treasurer

Authorized Buyers: (PO# & Buyer Name must be referenced on all invoices)

Aaron Verba	Daniel Swanson	James Bitney	Perry Spradlin	Todd Bertrand
Andrew Kelley	Dillon Boyd	Jeffrey Anderson	Rick Gray	Troy Gray
Ann Lord	Dora Hughes	Justin Testerman	Robbert Esquibel	
Annie Gardner	Dylan Poage	Larry Santiago	Robert McDonald	
Antonio Andrade	Keith Forbes	Lewis Henrichs	Ron Winger	
Conor Nicoll	Keith Hayes	Nanci Ruese	Scott Judah	
Daniel Hall	Greg Newton	Neal Scott	Sean McKeown	
Daniel Hjortstorp	Harold Pelham	Parry Rekers	Sidney Huhndorf	

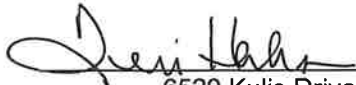
Bank Reference Upon Request

Credit References:

NC Machinery (acct# 4339601) P. O. Box 11626 Tacoma, WA 98411 (425) 251-9800 Fax: (425) 251-6287	Construction Machinery Industrial (acct# FE2575) PO Box 196131 Anchorage, AK 99519 (907) 563-3822 Fax: (907) 261-0178
Thomson Equipment Co. P. O. Box 13500 Portland, OR 97213 (503) 287-9000 Fax: (503) 282-8260	Delta Western (acct# 0054404) 420 L Street, suite # 101 Anchorage, AK 99501 (907) 265-3821 Fax: (907) 276-3741

Accounts Payable Contact Information:

Billing address: PO Box 3996 Seattle, WA 98124-3996
Phone: (206) 444-4220
Fax: (206) 439-1254
Email: LyndenAPinvoices@lynden.com

Signature 
6520 Kulis Drive
Anchorage, AK 99502-1816
Phone (907) 245-1865
Fax (907) 245-1744

Date 4/22/2025
18000 International Blvd., Suite 700
Seattle, WA 98188-4263
Phone (206) 444-4220
Fax: (206) 439-1254