

**LEASE AMENDMENT NO. 3**  
**CITY OF VALDEZ**  
**AND**  
**SILVER BAY SEAFOODS, LLC**

THIS LEASE AMENDMENT NO. 3 is made 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 is hereinafter referred to as LESSOR, and, Silver Bay Seafoods, LLC, whose address is 208 Lake Street, Suite 2E, Sitka, Alaska 99835 hereinafter referred to as LESSEE.

WHEREAS, the City of Valdez entered into a lease for Parcel 4, 23,797.5 square foot portion of USS 495 Tidelands, with Sea Hawk Seafoods, Inc. on November 6, 2002 for twelve (12) years, commencing on December 1, 2001 and ending on the last day of November, 2013 with six (6) five (5) year renewal options; and

WHEREAS, Resolution #09-39, dated August 12, 2009, where the Valdez City Council approved an assignment of leasehold interest from the Sea Hawk Seafoods to PS Acquisitions; and

WHEREAS, a Special Warranty Deed date January 20, 2010 and recorded January 28, 2010, Document No. 2010-000067-0 of the Valdez Recording District by Northern Reach Seafoods (Grantor), formerly known as PS Acquisition, LLC grants and conveys to Silver Bay Seafoods, LLC all of the Grantor's right, title and interest in real property; and

WHEREAS, Resolution #10-05, dated February 1, 2010, where the Valdez City Council approved assignment of leasehold interest for Parcel 4, USS 495 Tidelands from PS Acquisition, LLC to Silver Bay Seafoods, LLC; and

WHEREAS, Resolution #13-59, dated November 25<sup>th</sup>, 2013, where the Valdez City Council authorized the City Manager or his designee to negotiate lease renewal option one (1) of six (6) five (5) year options to renew; and

WHEREAS, Lease Amendment No. 2, dated December 27<sup>th</sup>, 2013, was signed and executed exercising the first of six (6) five (5) year renewal options commencing December 1, 2013 and ending the last day of November 2018; and

WHEREAS, Silver Bay Seafoods, LLC has approached Community Development staff with intention to exercise the second of six (6), five (5) year renewal options; and

WHEREAS, the lease is scheduled to expire on the last day of November, 2018 with four (4) five (5) year options to renew remaining; and

WHEREAS, Valdez Municipal Code 4.08.100 states that the LESSEE "shall be required to pay for any and all survey, appraisal or other costs incurred in connection with the application and lease process."

NOW, THEREFORE, LESSOR and LESSEE agree as follows:

Section 1. The City Council of the City of Valdez, Alaska authorizes Amendment No. 3 of the Lease with Silver Bay Seafoods, LLC, authorizing the City Manager or her designee to negotiate said lease renewal exercising lease renewal option number two (2) of six (6) five (5) year options to renew for the period commencing December 1, 2018 and ending the last day of November 2023.

Section 2. Paragraph 1.05 of the Lease dated December 1st, 2001 between the City of Valdez and Silver Bay Seafoods, LLC for a Parcel 4, a 23,797.5 square foot portion of USS 495 Tidelands is amended as follows:

"The LESSEE is responsible for paying the cost of appraisal of the property for the purposes of determining fair rental value."

Section 3. All other terms, covenants, and conditions of said lease, and amendments, shall remain in full force and effect.

Section 4. This resolution goes into effect immediately upon passage and approval.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of this 2nd day of October, 2018

LESSOR:

CITY OF VALDEZ

An Alaskan Municipal Corporation

By: \_\_\_\_\_  
Jeremy O'Neil, Mayor

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

LESSEE:

Silver Bay Seafoods, LLC

By: \_\_\_\_\_  
Larsen Mettler, Chief Financial Officer

APPROVED AS TO FORM:

BRENA, BELL AND CLARKSON  
Attorneys for City of Valdez

By: \_\_\_\_\_  
Jake W. Staser