

**AGREEMENT FOR SALE AND PURCHASE OF LANDS
AT PORT VALDEZ, ALASKA
(MEALS HILL PARCELS, PWS 4009)**

THIS AGREEMENT for Sale and Purchase of Lands at Port Valdez, Alaska (Meals Hill Parcels) ("Agreement") is made by and between The Port Valdez Company, Inc., whose address is 13598 Via Varra, Unit 203, Broomfield, Colorado, 80020 ("Seller"), the City of Valdez, Alaska, whose address is 212 Chenega Avenue, Valdez, Alaska, 99686 ("City"), the State of Alaska, Department of Natural Resources, whose address is 550 West Seventh Avenue, Suite 1050A, Anchorage, Alaska, 99501-3579 ("State"), and the United States Department of the Interior, Bureau of Land Management, whose address is 222 West Seventh Avenue, #13, Anchorage, Alaska, 99513 ("United States") (the City and United States are also collectively referred to as the "Purchasers," and each entity listed above is individually referred to as a "Party," and together as the "Parties"), pursuant to the authority of AS 29.35.010, AS 38.05.035, AS 38.05.500-514, and Section 205 of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. § 1715).

WHEREAS, the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") has determined in Resolution 17-03, dated November 14, 2017, that title to certain lands on property known locally as "Meals Hill," which are located in Port Valdez Arm, within the municipal boundaries of the City of Valdez, in Prince William Sound, Alaska, and owned by Seller should be acquired for the City of Valdez, and that a conservation easement ("Conservation Easement") on it shall be held by the United States, in fulfillment of the Trustee Council's duties; and

WHEREAS, the Seller wishes to sell all of its rights, title, and interests in the Meals Hill lands and any improvements thereon to the City, and to convey the Conservation Easement referred to herein to United States; and

WHEREAS, the City Council of the City of Valdez adopted Resolution #17-42 on October 3, 2017, unanimously supporting the Meals Hill Conservation Project: and

WHEREAS, the City desires to obtain and preserve the Meals Hill property in a primarily natural state for the protection of its habitat and conservation values ("Conservation Values") as described in the attached draft Conservation Easement (Exhibit A to this Agreement), and intends to manage it in accordance with the Conservation Easement and for compatible public recreation and tourism uses, consistent with Chapter 17.46 of the Valdez Municipal Code; and

WHEREAS, the sale and purchase are to be completed and closed in accordance with the terms and conditions of this Agreement.

NOW THEREFORE the Parties agree as follows:

1. Sale of Property. The Seller shall sell to the City, with a Conservation Easement conveyed to the United States, all of the Seller's property rights, title, and interests in or appurtenant to the Meals Hill real property, including surface and subsurface interests, all

easements, rights of way, rights of ingress and egress, remainder and other interests, and all tenements, hereditaments, improvements, and other rights or privileges located on or in any way associated with or appertaining to the real property, which is subject to this purchase and sale (hereinafter referred to as the "Property"). The legal description of the Property is as follows:

Tract C and Tract E, Port Valdez Subdivision, Plat 77-1, records of the Valdez Recording District, Third Judicial District, State of Alaska, dated January 24, 1977, excepting therefrom those portions conveyed to the State of Alaska, Department of Transportation and Public Facilities in re-recorded Warranty Deed, recorded November 30, 2009 at Serial Number 2009-000947-0.

Containing 183.54 acres, more or less.

The Property being sold is "AS IS/WHERE IS." The Seller makes no warranty or representation regarding the suitability or fitness of the Property for any particular purpose. Purchasers agree that their own representatives will physically visit the site and will independently assess the suitability and fitness of the Property for their own needs and purposes.

2. Interests Conveyed. In accordance with this Agreement, the Seller shall execute and deliver to the United States a Conservation Easement on the Property in substantially the form attached hereto as Exhibit A, and to the City a Warranty Deed to the Property ("Warranty Deed") in substantially the form attached hereto as Exhibit B, which exhibits are incorporated into this Agreement and made part of it by reference. The Conservation Easement and Warranty Deed shall convey the Property free and clear of all claims, liens, and encumbrances other than exceptions noted in the Conservation Easement and Warranty Deed, respectively, and such other exceptions as may be acceptable to the City and the United States. The Parties shall execute and deliver at closing or at any other time, such additional documents as may be necessary to convey all of the Seller's interests in the Property to the City and the United States and to secure or preserve the Parties' rights under this Agreement. At closing, the Conservation Easement shall be recorded prior to the Warranty Deed.

3. Terms of Sale.

a. The purchase price is THREE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$3,150,000.00), which is the fair market value of the Property as established by appraisal. The Seller shall be paid the purchase price at the time of closing exclusively from Exxon Valdez Oil Spill ("EVOS") Settlement funds administered by the EVOS Trustee Council ("Trustee Council Funds") and designated for that purpose, less any amounts required for disbursement for any taxes then owing pursuant to paragraph 7(g) of this Agreement. Following closing, the Property is to be managed by the City (or its successors in interest) under the terms and conditions of this Agreement, the attached Conservation Easement (Exhibit A), and applicable municipal legal authorities. In the event of an irreconcilable conflict between the Conservation Easement and municipal legal authorities, the Conservation Easement shall control.

b. In addition to the purchase price, up to an additional NINE HUNDRED THOUSAND DOLLARS (\$900,000.00) (plus standard Trustee Council General Administration Costs) will be made available after closing the purchase from Trustee Council Funds, as authorized for the Port Valdez Meals Hill habitat project in Council Resolution 17-03, for the engineering, construction, and completion of initial enhancements on the Property to further compatible public uses for passive recreational activities, such as wildlife viewing, nature walks, educational, and interpretative uses, and other similar uses that do not change the natural character of the Property or disrupt fish and wildlife ("Enhancement Funds"). Enhancement Funds will be released to Great Land Trust, Inc. ("Great Land Trust") for this purpose pursuant to standard Trustee Council contracting procedures on a schedule to be developed after closing. Property enhancements using Enhancement Funds shall be made in accordance with a comprehensive Property "site plan" to be prepared through the joint participation and assistance of the City and Great Land Trust. All property enhancements are subject to approval by the applicable planning authority of the City and by the Valdez City Council. The City shall own all the enhancements constructed on the Property using Enhancement Funds and shall have the sole responsibility to manage, maintain, repair and replace all such enhancements. The City agrees that neither the Seller, nor the State, nor the United States, shall have any legal obligation or liability for the construction, use, maintenance, repair or replacement of any Property enhancements that are contemplated under this Agreement.

c. In support of the enhancements contemplated herein, the Seller agrees upon the sale of said Property, to set aside in escrow ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) toward a goal of TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000.00) in a matching grant fund to fund a design competition and production of an appropriate memorial that will recognize the family partnership of The Port Valdez Company, Inc., and its founders, George Cheever Hazelet and Andrew Jackson Meals. This partnership was instrumental in the founding of Valdez, Alaska and Cordova, Alaska during the Great Alaska Gold Rush of 1898 and early 20th century. It is the desire of The Port Valdez Company, Inc., not only to recognize its partnership, but the spirit of the many Alaskan partnerships that ushered the Alaska Territory into statehood and these United States of America. A committee of local and statewide leadership ("Design Committee") shall be formed and chaired by The Port Valdez Company, Inc. with the guidance the Great Land Trust. Funds raised would augment the money the Great Land Trust will set aside in subparagraph b. of this Section to enhance the Meals Hill Property. If the \$250,000.00 goal is not matched or no matching-fund monies are raised to match the grant offering within three (3) years of the sale of the Property, the \$100,000.00 will revert back to The Port Valdez Company, Inc. An "appropriate memorial" means a memorial that both aesthetically blends with the natural features of the Property, ensures the protection of the Conservation Values as set forth in the Conservation Easement, and in all other ways is consistent with the terms and conditions of the Conservation Easement. At least 6 months prior to any planned construction or installation, the Design Committee shall forward any design concepts to the City and the Bureau of Land Management for review, comment, and finding of consistency. All enhancements to the Property including those contemplated in this paragraph, shall be subject to approval by the applicable planning authority of the City and by the Valdez City Council.

4. Conditions of Sale. The following conditions must be completed to the objectively reasonable satisfaction of the Purchasers prior to closing:

a. An appraisal reporting the fair market value of the Property prepared in accordance with the Trustee Council's standard appraisal instructions and approved by the United States review appraisers, as they deem necessary, the cost of which shall be paid using Trustee Council Funds.

b. Approval by the Alaska State Legislature, in the manner provided by law and by the Trustee Council, in accordance with its requirements and procedures, for the expenditure of Trustee Council Funds for the purchase of the Property, which approvals may be provided either before or after execution of this Agreement, and disbursement of the necessary funds from the Trustee Council Funds in accordance with Trustee Council and all Court requirements.

c. A survey of the Property satisfactory to the Purchasers, if necessary, in order to complete the purchase, the cost of which will be paid using Trustee Council Funds.

d. Environmental site inspections and assessments and/or hazardous substances surveys, as needed, establishing to the City's and United States' satisfaction that there are no: (i) hazardous substances, as that term is defined in AS 46.03.826(5) or other environmental laws; and (ii) no recognized environmental conditions or environmental issues of concern, as those terms are defined in Part 602, Chapter 2, Appendix of the Department of the Interior Manual, which are determined to be unacceptable by the United States. The cost of the aforementioned inspections, assessments and/or surveys shall be paid using Trustee Council Funds. Any such inspections, assessments, and surveys may, though they are not required to, include physical sampling, in the discretion of the Purchasers. A Bureau of Land Management site visit and Certificate of Inspection and Possession issued for the Property is valid for closing the sale up to 180 days from the date of inspection.

e. Satisfactory compliance with the National Environmental Policy Act, Section 810 of the Alaska National Interest Lands Conservation Act, Section 106 of the National Historic Preservation Act, and the Endangered Species Act, as determined by the United States.

f. Preliminary commitments of title insurance issued by the title company, in a form satisfactory to the City and United States, naming the City and the United States as the insured parties in their respective policies and subject only to such exceptions as are acceptable to the City and the United States, the cost of which shall be paid using Trustee Council Funds.

g. Receipt by the title company of the necessary Trustee Council Funds and authorization to expend such funds to close the sale and purchase.

h. A certificate of taxes due from the appropriate taxing authorities evidencing that all taxes owing on the Property for all prior years and the tax year in which closing occurs have been paid in full by the Seller, the cost of which shall be paid using Trustee Council Funds.

i. The Seller will, at the time of closing, be the sole legal owner of all the rights, title and interests in the Property to be conveyed to the City and the United States under this Agreement. The Conservation Easement and Warranty Deed to the Property (Exhibits A and B to this Agreement) will be subject only to the exceptions noted therein and such other exceptions as are agreed to by the City and the United States.

j. At the time of closing, the Property will not have materially changed from its existing natural condition as of the date of this Agreement, and there will be no loss of its Conservation Values as described in this Agreement and the Conservation Easement attached hereto as Exhibit A.

5. Diminishment of Value, Risk or Loss. The Seller shall not do, or allow another to do, any act prior to closing that causes the value or title of the Property to diminish or to be encumbered. All risk of loss or damage to the Property prior to closing shall be borne by the Seller. If any such loss, damage, diminishment, or encumbrance occurs, this Agreement is voidable at the Purchasers' option, or may be amended by agreement of the Parties.

6. Right to Enter Property. From the date this Agreement is executed by all Parties until closing, the City, the United States, and Great Land Trust, and their employees, agents, and representatives, upon reasonable notice to the Seller, shall have the right to enter the Property for all lawful purposes in connection with this Agreement, including for environmental survey or assessment purposes.

7. Closing. Closing shall be conducted by First American Title Company or other title company mutually agreed upon by the Parties, and in accordance with closing and escrow instructions agreed to in writing by the Seller and the Purchasers, by no later than January 31, 2020, unless extended by written agreement of the Parties. The Parties shall direct the title company to close the sale and purchase when all the following have been completed:

a. The terms and conditions of this Agreement have all been met (or waived by the Purchasers).

b. Preliminary title reports satisfactory to the City and United States have been received by the Purchasers. Final title policies shall be issued to the Purchasers upon completion of closing.

c. Title to the Property is subject only to such exceptions as are acceptable to the City and the United States. The Parties acknowledge that the property is subject to the Lease of Pipeline Easement between the Port of Valdez Company, Inc. and Petro Star, Inc. for a term of ten (10) years beginning January 1, 2016 ("Petro Star Lease", Exhibit C to this Agreement), which lease involves a pipeline located within an easement shown on Plat 77-1. The City will accept an assignment of the Petro Star Lease, as part of this sale transaction. The Parties further acknowledge that a City water storage tank, access road, and accessory piping is located on the Property, as well as city electric and other transmission lines. Nothing in this Agreement limits the City's right to maintain and operate the City water storage tank, access road, and accessory piping or electric and

other transmission lines in substantially the same location and to substantially the same scale as reflected in an as-built to be prepared by the City and delivered to the Parties prior to closing. Nothing in this Agreement affects the rights provided under the Petro Star Lease or the right of the City to extend the term of the Petro Star Lease in a form substantially the same as it presently exists. Nothing in this Agreement affects the rights of those owners of Lots 1 through 4 of Plat 99-17 for use of the easement as shown on Plat 77-1. The United States reserves the right to determine whether the anticipated exceptions to title described in this Section are acceptable in accordance with the regulations promulgated under 40 U.S.C. § 3111(b)(1).

d. Execution of agreed-upon final closing and escrow instructions and an agreed-upon settlement statement by the Parties, and execution of the conveyance documents, including the Conservation Easement and Warranty Deed, by the Seller and Purchasers, substantially in the forms attached hereto as Exhibits A and B, and any other documents as may be required for closing in accordance with this Agreement, and their delivery by the Parties to the title company as necessary to complete closing and recording. The Conservation Easement shall be recorded immediately before the Warranty Deed.

e. The Seller has provided a current corporate Certificate of Compliance from the State of Alaska and other documentation (including Board of Director's resolutions), sufficient to satisfy the title company that those acting on behalf of the Seller are so authorized and have complied with all laws and applicable articles of incorporation and bylaws in selling all its interests in the Property.

f. The title company has received the necessary funds and authorization to expend the funds to complete the purchase as specified in this Agreement.

g. All taxes and assessments owing on the Property, if any, have been paid in full by the Seller for prior years and the tax year in which closing occurs. Any such taxes or assessments still owing at the time of closing shall be paid out of the Seller's proceeds before remitting the remainder of the purchase price as provided in Section 3 above.

8. Termination by Purchasers. This Agreement may be terminated by the City or the United States prior to closing upon written notification to the Seller that one or more of the terms or conditions of sale in this Agreement have not been satisfied. In the case of termination of this Agreement pursuant to this paragraph 8, the Parties shall not have any further liability to each other with respect to this Agreement.

9. Closing Costs. The Seller shall pay all costs of providing acceptable clear title to the Property at closing, including all property taxes that are owing, including for the calendar year in which closing occurs. The Trustee Council Funds shall be used to pay the cost for issuing title policies to the City and the United States and the title company's fees for conducting the closing, including any costs associated with escrow.

10. Unanticipated Events. The Parties acknowledge that circumstances may occur that are beyond the reasonable control of a Party that interfere with the Party's ability to complete the

sale and purchase as set forth in this Agreement. In the event that, following the effective date (“Effective Date”) of this Agreement, circumstances arise beyond the reasonable control of a Party that significantly impair or detract from the rights or benefits provided to any of the Parties, then the Parties will negotiate, in good faith, to determine whether reasonable modifications of this Agreement can be made so as to protect the rights, interests, and duties of the Parties under this Agreement and to carry out the intent of this Agreement.

11. Environmental Obligations.

a. The Parties intend that: (1) neither the State nor the United States will incur, suffer, or otherwise become burdened by any of the obligations or liabilities of an “owner” or “operator” as those terms are defined, used, or interpreted under any environmental law, regulation, code, ordinance, order, or other requirement or successor provision thereto, of any federal, state or local governmental authority relating to any hazardous, toxic, or otherwise harmful material, substance, or pollutant (collectively “Environmental Obligations”), by virtue of having entered into this Agreement or accepting the Conservation Easement (Exhibit A, attached) conveyed pursuant to this Agreement; and (2) this Agreement and the Conservation Easement conveyed to the United States under this Agreement (Exhibit A) shall be construed so as not to cause the State or United States to incur, suffer, or otherwise become burdened by any Environmental Obligations by virtue of having entered into this Agreement or accepting a Conservation Easement or Warranty Deed to be conveyed pursuant to this Agreement.

b. Nothing in this Agreement (1) releases any Party or other person from such Environmental Obligations as it may have had prior to entering into this Agreement, (2) releases any Party or other person from any Environmental Obligations as may arise hereafter by virtue of actions undertaken by or for it hereafter on or with respect to the Property, or (3) except as specifically provided in this Agreement, constitutes a promise by any Party to indemnify any other Party or other person for any Environmental Obligations (whenever arising).

12. Seller’s Indemnity. The Seller shall indemnify, save, and keep the Purchaser harmless against and from all liability, demands, claims, actions, or causes of action, assessments, losses, fines, penalties, costs, damages, and expenses, including reasonable attorneys’ fees, sustained or incurred by the Purchasers as a result an environmental condition existing at or on the Property on or before the date of Closing, notwithstanding whether the existence of such an environmental condition was known or unknown at the time of closing. Such indemnity will not extend to any spill or release of a hazardous substance, or to any other property damage or personal injury caused by the Purchasers, or by their agents in the conduct of any due-diligence investigation undertaken by the Purchasers.

13. Agreement to Insert Contracting Language in Contracts. To the extent allowed by law, during the conduct of any on-site due-diligence investigation, including any land survey or environmental assessment or study, as part of the contracting procedures, the Purchasers’ agree to add a contractual provision requiring the Contractor name the Seller as an Additional Insured on all applicable policies of insurance, as well as a requirement that the Contractor indemnify the

Seller for all incidents of personal and bodily injury and/or property damage (including any release of a hazardous substance) onto the Property caused by or arising out of those investigations.

14. Other Agreements and Actions. The Parties shall provide all other documents (including signed documents) and take other actions as reasonably necessary to effectuate this Agreement and the closing of the sale and purchase of the Property.

15. Rights to Survive Closing. All warranties, rights, and remedies contained in this Agreement and the Conservation Easement and Warranty Deed (Exhibits A and B, attached) shall survive closing.

16. Signatures. Each signatory to this Agreement represents that he or she has the legal authority to bind his or her principal to the Agreement and to execute all necessary documents for closing.

17. Notices. Written notices shall be provided to the Parties at the following addresses (or successive addresses as any Party may subsequently designate to each other Party in writing in accordance with this Section 17).

Seller:

The Port Valdez Company, Inc.
Attn: John H. Clark IV, President
520 Old Stone Lane
Louisville, Kentucky 40207

And to

The Port Valdez Company, Inc.
Attn: Sharon K. Black
13598 Via Varra, Unit 203
Broomfield, Colorado 80020

City of Valdez:

City of Valdez
Attn: Elke Doom, City Manager
212 Chenega Avenue
P.O. Box 307
Valdez, Alaska 99686

State of Alaska

Department of Natural Resources
Division of Mining, Land, and Water
Realty Services Section
550 West Seventh Avenue, Suite 1050A
Anchorage, Alaska 99501-3579

United States

U.S. Department of the Interior
Bureau of Land Management
Alaska State Office
Attn: Realty Services
222 West Seventh Avenue, #13
Anchorage, Alaska 99513

And

U.S. Department of the Interior
Office of the Solicitor, Alaska Region
Attn: Elizabeth Gobeski
4230 University Drive, Suite 300
Anchorage, Alaska 99508

18. Execution in Separate Counterparts and Effective Date. This Agreement, any amendments, and all documents to be executed for closing, may be signed and notarized in separate counterparts by the Parties, which, when all Parties have so signed, shall be deemed a single Agreement or amendment thereto. The effective date ("Effective Date") of this Agreement or any amendment thereto shall be the date upon which the last of the Parties signs the Agreement or the amendment.

19. General Provisions.

a. This Agreement embodies the entire agreement and understanding among the Parties and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

b. If any part of this Agreement is to any extent illegal, held to be invalid, or legally incapable of being enforced, such provision shall be excluded to the extent of such invalidity or unenforceability; all other terms shall remain in full force and effect; and, to the extent permitted and possible, the invalid or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to effectuating the intention of such invalid or unenforceable term.

c. This Agreement may be modified, supplemented, amended, or extended only by a document in writing executed by all of the Parties.

d. The failure of any Party to this Agreement to insist upon the strict performance of any provision of this Agreement or the exercise of any right, power, or remedy consequent upon a breach of the Agreement shall not constitute a waiver by the Party of any such provision, breach, or subsequent breach of the same or any other provision.

e. Except as otherwise provided in this Agreement, the Parties shall be entitled to any and all remedies provided by law or in equity.

f. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship or any of the provisions of this Agreement.

g. This Agreement shall be interpreted, construed, and enforced in accordance with applicable Federal and Alaska law.

h. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties.

i. Nothing in this Agreement shall be deemed to create in any third-party beneficiary any rights, privileges, or benefits under this Agreement or the right by any third party to enforce any of its terms or covenants.

j. The descriptive paragraph headings throughout this Agreement are for convenience and reference only, and the words contained therein shall not be used to expand, modify or amplify the meaning of this Agreement or to aid in the interpretation or construction of this Agreement.

k. No member or Delegate to Congress, or Resident Commissioner, after his/her election or appointment, and either before or after he/she has qualified, and during his/her continuance in office, shall be admitted to any share or part of this Agreement, or to any benefit to arise therefrom.

l. Nothing herein shall be construed as obligating the City, the State or the United States to the expenditure of funds or the future payment of money in excess of that authorized by law.

m. The commitments, representations, and warranties contained in this Agreement and the attached Exhibits A and B (Conservation Easement and Warranty Deed) shall survive closing and delivery of the executed Conservation Easement and Warranty Deed. In the event of any irreconcilable conflict between this Agreement and the terms of the Conservation

Easement or Warranty Deed, as executed, the terms of the Conservation Easement or Warranty Deed, as applicable, shall control.

n. By execution of this Agreement, the Parties acknowledge and represent that they have consulted with and had this Agreement reviewed by an attorney of their choice, or that they had sufficient opportunity to do so.

[Signature pages follow]

PURCHASER:

CITY OF VALDEZ

Dated: _____

By: _____
Elke Doom, City Manager

ATTEST:

By: _____
Sheri L. Pierce, MMC, City Clerk

Date: _____

APPROVED AS TO FORM:

Brena, Bell & Clarkson, P.C.

By: _____
Jake W. Staser

Date: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 2019, personally appeared before me _____, the _____ of the City of Valdez, Alaska, to me known and known to be the person he represented himself to be, who executed the above and foregoing AGREEMENT FOR SALE AND PURCHASE OF LANDS AT PORT VALDEZ, ALASKA (MEALS HILL PARCELS, PWS 4009) on behalf of the City of Valdez, Alaska, freely and voluntarily, for the uses and purposes therein described, and under delegated legal authority and with knowledge of its contents, and who acknowledged said document before me on behalf of the City of Valdez.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of Alaska
My commission expires: _____

PURCHASER:

UNITED STATES OF AMERICA

Dated: _____

By: _____

Alaska State Director
Bureau of Land Management
U.S. Department of the Interior

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, the Acting Alaska State Director, Bureau of Land Management, United States Department of the Interior, to me known and known to be the person he represented himself to be, who executed the above and foregoing AGREEMENT FOR SALE AND PURCHASE OF LANDS AT PORT VALDEZ, ALASKA (MEALS HILL PARCELS, PWS 4009) on behalf of the United States of America, freely and voluntarily, for the uses and purposes therein described, and under delegated legal authority and with knowledge of its contents, and who acknowledged said document before me on behalf of the United States Department of the Interior, Bureau of Land Management.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of Alaska
My commission expires: _____

**STATE OF ALASKA ASSISTING WITH
CLOSING:**

STATE OF ALASKA

Dated: _____

By: _____

Corri A. Feige
Commissioner
Alaska Dept. of Natural Resources

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared CORRI A. FEIGE, Commissioner of the Alaska Department of Natural Resources, to me known and known to be the person she represented herself to be, who executed the above and foregoing AGREEMENT FOR SALE AND PURCHASE OF LANDS AT PORT VALDEZ, ALASKA (MEALS HILL PARCELS, PWS 4009) on behalf of the State of Alaska, freely and voluntarily, for the uses and purposes therein described, and under delegated legal authority and with knowledge of its contents, and who acknowledged said document before me on behalf of the State of Alaska.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of Alaska
My commission expires: _____

EXHIBIT A

Federal Conservation Easement Port Valdez Lands (Meals Hill Parcels 4009)

THIS Conservation Easement is entered into this ____ day of _____, 2019, by **THE PORT VALDEZ COMPANY, INC.**, and its successors and assigns (hereinafter “Grantor”), whose address of record is 13598 Via Varra, Unit 203, Broomfield, Colorado, 80020, and the **UNITED STATES OF AMERICA** and its successors and assigns (“United States” or “Grantee”), whose address is Bureau of Land Management, Alaska State Office, 222 West Seventh Avenue, #13, Anchorage, Alaska, 99513, under the authority of 43 U.S.C. § 1715 and pursuant to the AGREEMENT FOR SALE AND PURCHASE OF LANDS AT PORT VALDEZ, ALASKA (MEALS HILL PARCELS, PWS 4009), between Grantor, the City of Valdez (“City”), the State of Alaska, and the Grantee dated ____ day of _____, 2019 (“Agreement”). Grantor and Grantee are also referred to individually in this Conservation Easement as “a Party” and collectively as “the Parties.”

WHEREAS, the real property subject to this Conservation Easement (the “Protected Property”) is situated at Port Valdez, within the municipal boundaries of the City of Valdez, in Prince William Sound, Alaska, as is further described below; and

WHEREAS, the Grantor is the owner of fee title to the Protected Property subject to the Lease of Pipeline Easement between the Port of Valdez Company, Inc. and Petro Star, Inc., for a term of ten (10) years beginning January 1, 2016 (involving a pipeline shown within a Twenty-foot wide easement at the base of Meals Hill); the City’s rights with respect to a water storage tank, access road, and accessory piping and transmission lines located in the northwest corner of Tract C, Port Valdez Subdivision, Plat 77-1; and the rights of the owners of Lots 1-4, Plat 99-17, to use the sixty-foot-wide road easement for access and delivery of utility services; and

WHEREAS, the Protected Property contains significant natural, scenic, wooded and non-wooded lands and waters that provide important habitat and protection supporting species of migratory birds, fish, and wildlife, including many that were injured as a result of the *Exxon Valdez* oil spill. The natural, scenic, forested, non-forested, wetlands and marine coastal shoreline habitat values for fish and wildlife described herein are collectively referred to as the “Conservation Values” of the Protected Property; and

WHEREAS, the *Exxon Valdez* Oil Spill Trustee Council (“Trustee Council”) has approved the use of joint settlement funds for acquisition by the City of the Protected Property, subject to Conservation Easement rights to be held by the Grantee in order to assure that the restoration objectives for use of the settlement funds are achieved in perpetuity; and

WHEREAS, Grantor intends to convey fee title to all of its interests in the Protected Property, including all surface and subsurface interests, rights, privileges, immunities, easements, and appurtenances thereto, of whatsoever nature, in the Protected Property, to the City by Warranty Deed; and

WHEREAS, Grantor wishes to convey a protective Conservation Easement to the United States as Grantee, and to provide the Grantee with an independent right in perpetuity to enforce the restrictive covenants set forth in this Conservation Easement on the Protected Property against the actions, claims, or demands of Grantor or any other person or entity; and

WHEREAS, the City and the United States shall preserve and protect the Protected Property in perpetuity in order to restore, enhance, and rehabilitate natural habitat and resources injured by the *Exxon Valdez* oil spill, and to support the services, including recreation and tourism, provided by those natural resources.

NOW THEREFORE, pursuant to the laws of the United States, and in particular 43 U.S.C. § 1715, and in accordance with the provisions of the Agreement, for good and valuable consideration received, Grantor does hereby grant and convey to Grantee, its successors and assigns, forever, with special warranties of title noted herein, subject to conditions, restrictions, and limitations of record, if any, a conservation easement (“Conservation Easement”) in perpetuity on the Protected Property, of the nature and character and to the extent hereinafter set forth, as to the Protected Property more fully described as follows:

Tract C and Tract E, Port Valdez Subdivision, Plat No. 77-1, records of the Valdez Recording District, Third Judicial District, State of Alaska, dated January 24, 1977, excepting therefrom those portions conveyed to the State of Alaska, Department of Transportation and Public Facilities in re-recorded Warranty Deed, recorded November 30, 2009, in Serial Number 2009-000947-0.

Containing 183.54 acres, more or less.

The above-described Conservation Easement is being acquired by the United States for administration by the U.S. Department of the Interior, Bureau of Land Management as Grantee. Acceptance of and recording of this Conservation Easement by Grantee shall evidence Grantee’s acceptance of and agreement to all of its terms and its understanding that the property rights of the Grantor and its successors and assigns in and to the Protected Property are conveyed, conditioned, and restricted by this Conservation Easement as provided for herein.

The United States shall be entitled to the rights described herein and to enforce on a non-exclusive basis the terms of the restrictive covenants, set forth below, against the Grantor, its successors or assigns.

I. PURPOSE

The purpose of this Conservation Easement is to ensure that the Conservation Values of the Protected Property will be protected and maintained in perpetuity and to prevent any use or alteration of the Protected Property that will impair, degrade, or interfere with its natural and undisturbed habitat values or of the Trustee Council's restoration goals and objectives. These purposes include management for the restoration and preservation of the Protected Property's natural forested and non-forested areas, wetlands, marine coastal shoreline, and other ecological values, as well as the conservation and protection of migratory bird, fish, and wildlife resources supported by habitats on the Protected Property. This Conservation Easement will confine uses of the Protected Property to activities that are consistent with the protection and preservation of the Conservation Values of the Protected Property in perpetuity.

The Parties agree and acknowledge that the City intends to provide for certain enhancements (described further in Section III(a)(vii) below) for compatible public uses of the Protected Property for passive recreation and tourism in accordance with this Conservation Easement, applicable municipal laws and a future site plan to be prepared for the Protected Property, but only to the extent consistent with this Conservation Easement, and in a manner and subject to any closures, limitations, or restrictions as are warranted for the protection of public safety or in order to assure the protection and preservation of the Conservation Values of the natural resources and habitats of the Protected Property in perpetuity. Nothing in this Conservation Easement shall interfere with:

- a. The City's right to operate and maintain the water tank, access road, and accessory piping and transmission lines located on the Property in substantially the same location and to substantially the same scale as they currently exist.
- b. The right to operate and maintain a pipeline under the Lease of Pipeline Easement within the twenty-foot pipeline easement shown on Plat 77-1.
- c. The rights of the City to renew the Lease of Pipeline Easement in substantially the same form as it presently exists.
- d. The rights of property owners of Lots 1-4, Plat 99-17, to use the sixty-foot road easement shown on Plat 77-1 for continued access to their property and delivery of utility services.

II. RIGHTS CONVEYED TO GRANTEE

To accomplish the purposes of this Conservation Easement, the Grantee is granted the right to enforce all the terms, including the prohibitions and restrictions set forth in this Conservation Easement; provided, however, that nothing in this Conservation Easement shall be construed to create an affirmative obligation of the Grantee to restore or enhance any particular natural resources, habitats, or services on the Protected Property or to take any particular enforcement action:

a. To enter upon the Protected Property in order to enforce the terms of this Conservation Easement.

b. To prevent any activity on or use of the Protected Property that is inconsistent with the purposes of this Conservation Easement and, in the event the Protected Property is damaged or degraded by any inconsistent activity or use, to require the restoration of such areas or features of the Protected Property at the sole cost and expense of those responsible for the damage.

c. In its discretion, the Grantee may take appropriate enforcement or other legal action at any time as necessary to enforce this Conservation Easement in individual cases. However, nothing herein shall be construed to preclude the City, as landowner, from taking any affirmative or legal action of its own to enforce any rule, requirement, policy, or agreement with respect to the Protected Property.

d. The Grantee shall be entitled to enforce, on a non-exclusive basis against the Grantor, its successors and assigns, and any other person or entity, this Conservation Easement in its entirety and in particular the terms set forth in Section III (Prohibited and Restricted Uses) below.

III. PROHIBITED AND RESTRICTED USES

a. RESTRICTED USES. The following listed uses and activities are prohibited on the Protected Property, except as necessary: (1) to further the accomplishment of the habitat protection and restoration objectives for which the Conservation Easement to the Protected Property was acquired with Trustee Council funds; (2) to provide reasonable enhancements to facilitate and benefit passive public recreational use of the Protected Property while still ensuring the protection of the Conservation Values set forth herein, and as described in more detail in Section III(a)(vii) below; or (3) to convey information to the public to protect public safety or natural resources. Notwithstanding the foregoing, an excepted use or activity under this paragraph (a) is allowed only if it does not have any significant negative impact on the EVOSTC habitat protection and restoration objectives or the Conservation Values of the Protected Property. The prohibited uses and activities subject to this paragraph (a) include, but are not limited to:

- (i) removing, destroying, cutting or clearing trees, brush or other plants on the Protected Property;
- (ii) filling, excavating or otherwise disturbing or altering the natural surface or topography of the Protected Property;
- (iii) using biocides or other chemicals, except as reasonably necessary to control or remove non-native fish, wildlife, or plants;
- (iv) manipulating or altering natural water courses, shorelines, marshes, wetlands or other water bodies or conducting or allowing any activities or uses that are

detrimental to water quality or purity on the Protected Property;

- (v) discharge of firearms or other explosives and trapping;
- (vi) motorized equipment or vehicles, except by the City or its employees, contractors or agents, as reasonably necessary to protect public safety and for the limited purposes of construction, maintenance, replacement or repair of the enhancements described in Section III (a)(vii). below;
- (vii) constructing or placing buildings, other structures, lodges, other accommodations or mobile homes, roads, parking lots, utility towers, fences, billboards, commercial signs, or any other structures or improvements on the Protected Property, except for reasonable enhancements to facilitate public recreational use for passive activities, which do not materially diminish the Conservation Values of the Protected Property. Such enhancements may include the construction or improvement of pedestrian trails or boardwalks, overlooks and roofed shelters from the weather, picnic tables, outhouses, gates, limited fencing to control access, a parking area at the entrance to the Protected Property, or non-commercial informational signs, plaques, or interpretative panels. No commercial signs or establishments shall be permitted on the Protected Property; and
- (viii) subdividing or creating or constructing any subdivisions or subdivision infrastructure on the Protected Property.

b. **PROHIBITED ACTIVITIES.** The following listed uses and activities by any person are prohibited on the Protected Property:

- (i) the introduction of fish, wildlife, or plants which are not native to Prince William Sound, Alaska (including, but not limited to, non-indigenous wild game such as reindeer or bison), or the use of the Protected Property for agricultural purposes or wild fish or game farming, including, but not limited to, farm crops, aquaculture, hatcheries, or the grazing of domestic or other farm animals;
- (ii) the placing, storing, dumping or burning of garbage, trash, other unsightly or offensive items or material and/or hazardous materials or substances, except that City-maintained trash collection containers may be placed and serviced as necessary.

IV. GENERAL

a. It is the intent of this Conservation Easement to protect the Conservation Values of the Protected Property in perpetuity by prohibiting and restricting uses of the Protected Property

as set forth herein, notwithstanding future changes in circumstances, conditions, or economics. If any provision of this Conservation Easement is found to be ambiguous, an interpretation consistent with protection of the Conservation Values and Conservation Purposes is favored, regardless of any general rule of construction.

b. Nothing herein shall be deemed to create in any third-party beneficiary any rights or privileges under this Conservation Easement or the right to enforce any of its terms or covenants.

c. Grantor agrees that this Conservation Easement and all its restrictive covenants shall run with the land and shall be binding upon Grantor, its successors, and assigns, including, without limitation, upon the Grantee, except where such action by the Grantee is specifically authorized by this Conservation Easement. In the event title to all or a portion of the Protected Property is ever acquired by Grantee or a successor entity, the Parties intend that no merger of title shall take place. Notwithstanding a future vesting of all title in the United States or a successor entity, the prohibitions and restrictions in this Conservation Easement shall continue to run with the land and remain as permanent restrictions on the use of the Protected Property forever.

d. The Grantor and the Grantee shall be entitled to enforce on a non-exclusive basis against each other, and any other person or entity, their successors or assigns, this Conservation Easement and in particular the terms setting forth the Prohibited and Restricted Uses in Section III above.

e. No transfer, assignment, amendment, or waiver of this Conservation Easement is effective which adversely impacts the habitat protection and restoration objectives of the Trustee Council or removes or diminishes any of the restrictive covenants or prohibitions in this Conservation Easement from the Protected Property. No other transfer, assignment, amendment, or waiver of any provision of this Conservation Easement, or the Conservation Easement as a whole, is valid or effective unless it is in writing and signed by all Parties to this Conservation Easement, and is in accordance with the EVOS Final Restoration Plan adopted by the Trustee Council (November 2, 1994), and is otherwise authorized by law and legally recorded.

f. In the event of a violation of this Conservation Easement, a Party has the right at any time independently to exercise any legal or equitable right or remedy to enforce this Conservation Easement against any person or entity in violation that may be available to the Party under applicable law, including as specifically authorized by this Conservation Easement. Such remedies may include, but are not limited to: declaratory or injunctive relief, compensatory damages, restitution, and/or attorney fees, which may be sought through a court of competent jurisdiction. A violation of one or more provisions of this Conservation Easement shall not render this Conservation Easement or any portion of it unenforceable or invalid; nor may a Party unilaterally or by agreement with another Party terminate this Conservation Easement, which is intended to apply in perpetuity.

g. The Grantor hereby represents and warrants, and covenants to and with the Grantee, and each of their successors and assigns, that: (1) the Grantor is lawfully seized of good and

marketable fee title in the Protected Property that is subject to this Conservation Easement; (2) the Grantor has a good and lawful right and power to sell and convey the title, rights, and interests to the same; (3) the same is free and clear of encumbrances, except for valid existing rights, including reservations and exceptions in the U.S. Interim Conveyance, Patent or other state or federal conveyance, and in acts authorizing the issue thereof; and easements, rights-of-way, covenants, conditions, reservations, restrictions, plat notes, liens, encumbrances, pre-existing leases, and other matters, if any, of record, or as otherwise noted herein; and (4) the Grantor will forever warrant and defend the Conservation Easement conveyed herein, and the quiet possession thereof, against the claims and demands of all persons claiming through the Grantor.

h. Grantor represents and warrants that it has not received notice of and has no knowledge of any material violation of any federal, state, or local borough or municipal governmental, or other quasi-governmental, regulatory requirement, statute, ordinance, code, rule, law or administrative or judicial order with respect to the Property. Grantor further represents and warrants that there is no action, suit, or proceeding that is pending or threatened involving the Protected Property or any portion thereof relating to or arising out of the ownership or use of the Protected Property, or any portion thereof, in any court or before or by any federal, state or local borough or municipal government, commission, board, agency, or other governmental instrumentality.

i. If any provision of this Conservation Easement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Conservation Easement remain valid, binding, and enforceable. To the extent permitted by applicable law, the Parties waive any provision of applicable law that renders any provision of this Conservation Easement invalid, illegal, or unenforceable in any respect.

j. This Conservation Easement may be signed in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one Conservation Easement. Facsimile or electronically transmitted copies of the validly signed signature page shall be effective as the execution by a Party.

k. The Parties intend that: (1) the Grantee will not incur, suffer, or otherwise become burdened by any of the obligations or liabilities of an “owner” or “operator” as those words are defined, used, or interpreted under any environmental law, regulation, code, ordinance, order, other requirement, or successor provision thereto, of any federal, state, or local governmental authority relating to any hazardous, toxic, or otherwise harmful material, substance, or pollutant (collectively “Environmental Obligations”), by virtue of accepting this Conservation Easement, and (2) this Conservation Easement shall be construed so as not to cause Grantee to incur, suffer, or otherwise become burdened by any Environmental Obligations by virtue of accepting this Conservation Easement.

l. Nothing herein (1) releases any Party or other person from such Environmental Obligations as it may have had prior to accepting this Conservation Easement, (2) releases any Party or other person from any Environmental Obligations as may arise hereafter by virtue of

actions undertaken by or for it hereafter on or with respect to the Protected Property, or (3) except as specifically provided in this Conservation Easement or the Agreement, constitutes a promise by any Party to indemnify any other Party or other person for any Environmental Obligations (whenever arising).

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, forever.

(Signatures on following pages)

UNITED STATES OF AMERICA ACCEPTANCE

IN WITNESS WHEREOF, Ted Murphy, Alaska State Director (Acting), Bureau of Land Management, United States Department of Interior, has hereunto set his hand and seal this ____ day of _____, 201_.

By: _____
Alaska State Director
Bureau of Land Management
U.S. Department of the Interior

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 201_, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, the Alaska State Director (Acting), Bureau of Land Management, United States Department of the Interior, to me known and known to be the person he represented himself to be, who executed the above and foregoing Federal Conservation Easement Port Valdez Lands (Meals Hill Parcels, PWS 4009) on behalf of the United States of America, freely and voluntarily, for the uses and purposes therein described, and under delegated legal authority and with knowledge of its contents, and who acknowledged said document before me on behalf of the United States Department of the Interior, Bureau of Land Management.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of Alaska
My commission expires: _____

After Recording Return Document to:

Bureau of Land Management
Alaska State Office
Division of Lands and Cadastral
222 West 7th Avenue #13
Anchorage, Alaska 99513

With Conformed Copies to:

City of Valdez
Attn: City Manager
212 Chenega Ave.
P.O. Box 307
Valdez, Alaska 99686

State of Alaska
Department of Natural Resources
Division of Mining, Land, and Water
Realty Services Section
550 West 7th Avenue, Suite 1050A
Anchorage, Alaska 99501

STATE BUSINESS, NO CHARGE

Location Index:

[to be inserted]

EXHIBIT B

Warranty Deed Port Valdez Lands (Meals Hill Parcels PWS 4009)

GRANTOR, **THE PORT VALDEZ COMPANY, INC.**, whose address is 13598 Via Varra Road, Unit 203 Broomfield, Colorado, 80020, pursuant to the AGREEMENT FOR SALE AND PURCHASE OF LANDS AT PORT VALDEZ, ALASKA (Meals Hill Parcels, PWS 4009) among Grantor, the City of Valdez, Alaska, the State of Alaska, and the United States of America, dated _____, 2019 (the "Agreement"), and for good and sufficient consideration received, grants, conveys and warrants, to GRANTEE, the **CITY OF VALDEZ, ALASKA**, whose address is 212 Chenega Avenue, Valdez, Alaska, 99680 (Grantor and Grantee are also referred to herein as the "Parties"), all of Grantor's rights, title and interest in the real property more fully described as follows:

Tract C and Tract E, Port Valdez Subdivision, Plat No. 77-1, Records of the Valdez Recording District, Third Judicial District, State of Alaska on January 24, 1977, excepting therefrom those portions conveyed to the State of Alaska, Department of Transportation and Public Facilities in re-recorded Warranty Deed, recorded November 30, 2009 in Serial Number 2009-000947-0

Containing 183.54 acres, more or less.

SUBJECT TO:

1. Valid existing rights, including reservations and exceptions in the U.S. Interim Conveyance, Patent or other state or federal conveyance, and in acts authorizing the issue thereof; and easements, rights-of-way, covenants, conditions, reservations, restrictions, plat notes, liens, encumbrances and other matters, if any, of record;
2. The enforcement rights of the United States as established by the Federal Conservation Easement granted by The Port Valdez Company, Inc. to the United States and recorded prior to this Warranty Deed on _____, 201_, in the Valdez Recording District as document no. _____ ("Conservation Easement"); and
3. The Lease of Pipeline Easement between the Port of Valdez Company, Inc. and Petro Star, Inc. for a term of 10 years beginning January 1, 2016. Said lease to be assigned by the Grantor to the Grantee under a separate contemporaneous agreement.

TO HAVE AND TO HOLD unto Grantee, its successors, and assigns forever.

has hereunto set his hand and seal this ____ day of _____, 201_.

THE PORT VALDEZ COMPANY, INC.

By _____
John H. Clark IV
President

COMMONWEALTH OF KENTUCKY)
) ss.
JEFFERSON COUNTY)

THIS IS TO CERTIFY that on the ____ day of _____, 201_, before me, the undersigned, a Notary Public in and for the Commonwealth of Kentucky], duly commissioned and sworn, personally appeared John H. Clark IV, President of The Port Valdez Company, Inc., to me known and known to be the person he represented himself to be, who executed the above and foregoing WARRANTY DEED (Port Valdez Meals Hill Parcels, PWS 4009) as the authorized representative and on behalf of The Port Valdez Company, Inc., freely and voluntarily, for the use and purposes therein described, and under such legal authority and with knowledge of its contents, and who acknowledged said document before me on behalf of The Port Valdez Company, Inc.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the Commonwealth of
Kentucky
My Commission Expires: _____

Return Recorded Document to:

City of Valdez, Alaska
Attn: _____
212 Chenega Avenue
Valdez, Alaska 99680

With a Conformed Copies to:

Bureau of Land Management
Alaska State Office
Division of Lands and Cadastral
222 West 7th Avenue #13
Anchorage, AK 99513

State of Alaska
Department of Natural Resources
Division of Mining, Land, and Water
Realty Services Section
550 West 7th Avenue, Suite 1050A
Anchorage, Alaska 99501

STATE BUSINESS, NO CHARGE

Location Index:

[To be inserted]

EXHIBIT C

**Petro Star Lease
Port Valdez Lands (Meals Hill Parcels, PWS 4009)**

PETRO STAR INC.

Telephone (907) 339-6600
Fax (907) 339-6653

3900 C Street, Suite 401
Anchorage, Alaska 99503-5966

January 17, 2006

Mr. Patrick J. Krochina
General Manager
Port Valdez Company, Inc.
3501 Denali Street
Suite 303
Anchorage, AK 99503

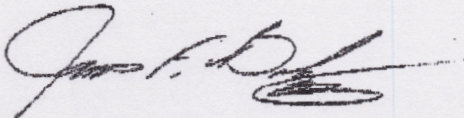
Dear Mr. Krochina:

Enclosed please find two executed copies of the Lease of Pipeline Easement between Port Valdez Company, Inc. and Petro Star Inc.

Please sign one copy and return to my attention at your earliest convenience.

If you have any questions, please do not hesitate to contact me directly at 907-339-6614.

Sincerely,



James F. Boltz
Chief Operating Officer

ATTACHMENT # 6

(4 pages)

A Subsidiary of Arctic Slope Regional Corporation

LEASE OF PIPELINE EASEMENT

The undersigned, Port Valdez Company, Inc. ("Lessor"), a corporation having its address at 3501 Denali St., Suite 303, Anchorage, Alaska 99503, does hereby lease to Petro Star Inc., an Alaska corporation having an address of 3900 C Street, Suite 401, Anchorage, Alaska 99503-5966 ("Lessee"), an easement and right of way to lay, construct, reconstruct, replace, renew, repair, maintain, operate, change the size of, increase the number of, and remove pipeline and appurtenances thereof, for the transportation of oil, petroleum, refined petroleum productions, gas, gasoline, water or other substances with the right of ingress and egress to and from the same, over and through, under or along that certain parcel of land described as follows:

A strip of land 20 feet in width across the easterly portion of Tract E of the Port Valdez Subdivision, according to Plat 77-1, filed January 24, 1977, in the Valdez Recording District, as marked in red on the sketch attached hereto, marked Exhibit "A" and by this reference made a part hereof.

This lease is subject to the following terms and conditions:

1. The term of the lease shall be ten years, commencing January 1, 2006. Lessee shall have the right to cancel the lease upon one year's notice so long as it fully complies with the conditions set forth in Condition 5.
2. Lessee shall pay \$12,000 per year to Lessor for the easement. In addition,
3. Lessee shall clean up and hold Lessor harmless from any spills or contamination that result from Lessee's use of the easement.
4. Lessor shall have the right to cross the pipeline easement with roadbed. If Lessor exercises this right, Lessee shall protect the safety and integrity of its pipelines at its own expense.
5. Lessee shall dismantle and remove all pipes and equipment and deed the easement back to Lessor if Lessee ceases to use easement during the above term.
6. Lessor agrees, upon presentation to Lessor of a legal description of the easement premises, to give the Lessee a written supplemental easement agreement in form satisfactory to Lessee setting forth the legal description of the easement premises.
7. The provisions hereof shall inure to the benefit of and be binding upon the parties hereto, their prospective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the undersigned have set their hands hereto, the dates indicated below.

PORT VALDEZ COMPANY, INC. (LESSOR)

By _____ Date: _____

STATE OF ALASKA
SS.
THIRD JUDICIAL DISTRICT

The following instrument was acknowledge before me this _____ day of _____ 2006,
by Patrick J. Krochina, General Manager, on behalf of Port Valdez Company, Inc.
(the Lessor herein).

Notary Public in and for Alaska
My commission expires: _____

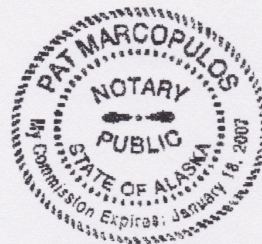
PETRO STAR INC.

By *Doug Chapados* Date 1/17/06
Doug Chapados
President and CEO

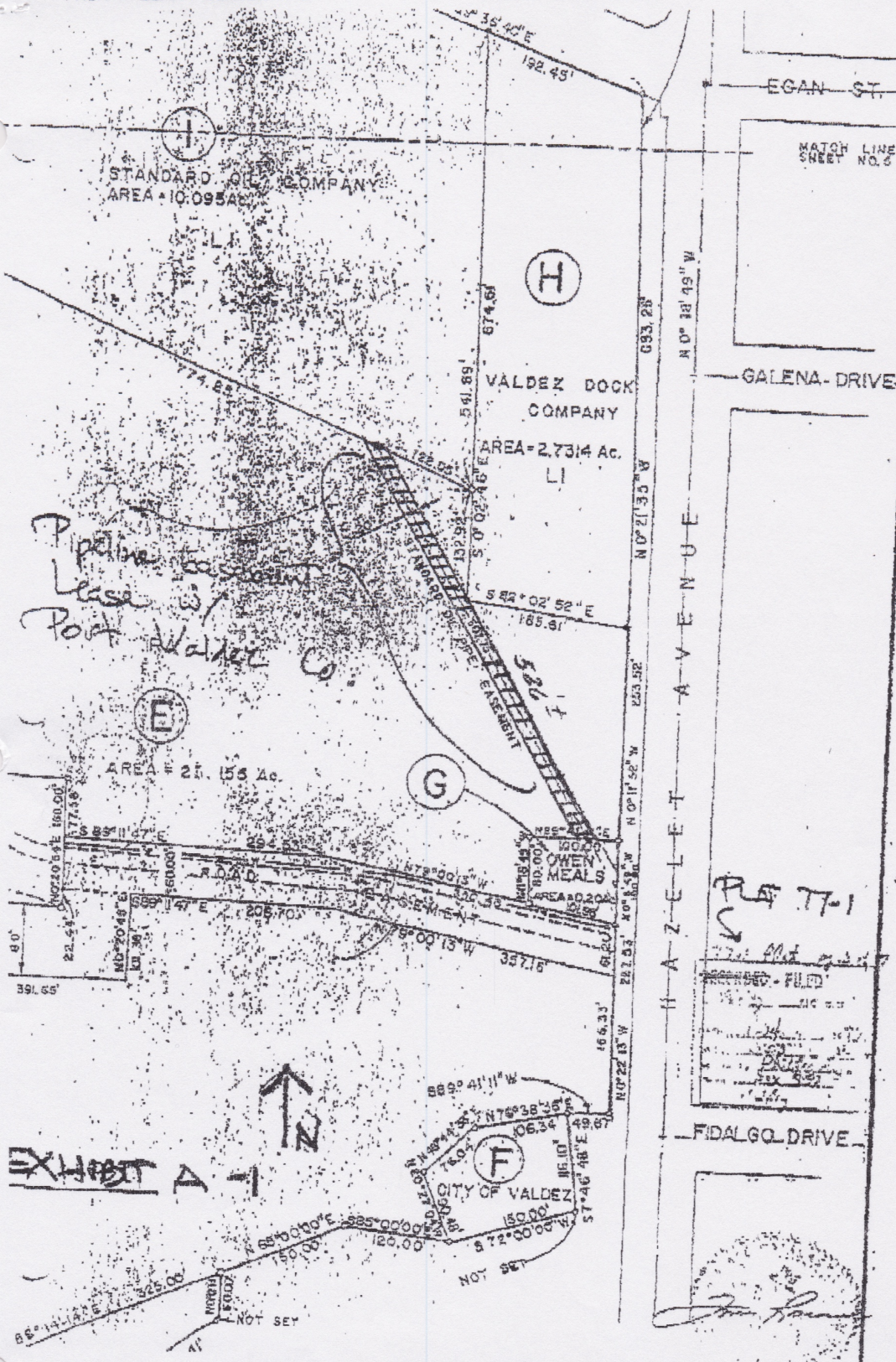
STATE OF ALASKA)
SS.)
THIRD JUDICIAL DISTRICT)

The following instrument was acknowledged before me this 17th day of January 2006,
by Doug Chapados, President and CEO, on the behalf of Petro Star Inc. (the Lessee
herein).

Pat Marcopulos
Notary Public in and for Alaska
My commission expires: 1-19-07



BOOK 130 PAGE 094
Valdez Recording District



Handwritten signature



THE PORT VALDEZ COMPANY, INC.
VALDEZ, ALASKA

BOARD OF DIRECTORS

JOHN H. CLARK IV
PRESIDENT

PHILIP W. CLARK
VICE PRESIDENT

SHARON K. BLACK
SECRETARY / TREASURER

LIEF M. HAZELET

MICHAEL J. KROCHINA

JON TRBOVICH

ELIZABETH H. VRANICH

ADMINISTRATIVE OFFICE

SHARON K. BLACK
SECRETARY / TREASURER

3598 VIA VARRA ROAD, #203
BROOMFIELD, CO 80020

303.442.5592 DIRECT
303.588.8275 CELL
SHARON@PORTVALDEZCO.COM

888.809.0220 TOLL-FREE
WWW.PORTVALDEZCO.COM

December 23, 2015

Mr. James F. Boltz
Sr. V.P. Engineering & Refining
Petro Star, Inc.
3900 C Street, Suite 802
Anchorage, AK 99503-5966

Dear Mr. Boltz,

Enclosed please find one signed original of the renewal of Lease of Pipeline Easement between the Port Valdez Company, Inc. and Petro Star, Inc. for the term of 10 years beginning January 1, 2016.

Please have the appropriate person at Petro Star sign and return a copy to me.

Please contact me with any questions or concerns.

Thank you.

Sincerely,

Sharon K. Black
Secretary/Treasurer
The Port Valdez Company, Inc. (PVC)
13598 Via Varra, Suite 203
Broomfield, CO 80020
Mobile: 303-588-8275
Landline: 303-442-5592
Sharon.black@comcast.net

Cc: John H. Clark, IV – President, PVC

LEASE OF PIPELINE EASEMENT

The undersigned, **The Port Valdez Company, Inc. ("Lessor")**, a corporation having its address at 13598 Via Varra, Suite 203, Broomfield, Colorado 80020-9748, does hereby lease to **Petro Star Inc., ("Lessee")**, an Alaska corporation having an address at 3900 C Street, Suite 401, Anchorage, Alaska 99503-5966, an easement and right of way to lay, construct, reconstruct, replace, renew, repair, maintain, operate, change the size of, increase the number of, and remove pipeline and appurtenances thereof, for the transportation of oil, petroleum, refined petroleum productions, gas, gasoline, water or other substances with the right of ingress and egress to and from the same, over and through, under or along that certain parcel of land described as follows:

A strip of land 20 feet in width across the easterly portion of Tract E of the Port Valdez Subdivision, according to Plat 77-1, filed January 24, 1977, in the Valdez Recording District, as marked in the sketch attached hereto, marked Exhibit "A" and by this reference made a part hereof.

This lease is subject to the following terms and conditions:

1. The term of the lease shall be ten years, commencing January 1, 2016. Lessee shall have the right to cancel the lease upon one year's notice so long as it fully complies with the conditions set forth in Condition 5.
2. Lessee shall pay \$12,000 per year to Lessor for the easement. Payment shall be made in one lump sum each January and sent to the Administrative Offices of Lessor as listed on its website at www.portvaldezco.com. In 2016, that is 13598 Via Varra – Suite 203, Broomfield, CO 80020. Lessor will notify Lessee when, and if, that changes.
3. Lessee shall clean up and hold Lessor harmless from any spills or contamination that result from Lessee's use of the easement.
4. Lessor shall have the right to cross the pipeline easement with roadbed. If Lessor exercises this right, Lessee shall protect the safety and integrity of its pipelines at its own expense.
5. Lessee shall dismantle and remove all pipes and equipment and deed the easement back to Lessor if Lessee ceases to use the easement during the above term.
6. The provisions hereof shall inure to the benefit of and be binding upon the parties hereto, their prospective heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF, the undersigned have set their hands hereto, the dates indicated below.

Initials SKB and JH

