

2014-004799-0

Recording District 101 10/22/2014 01:37 PM

Juneau

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Juneau Recording District

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DO NOT DETACH



AFTER RECORDING RETURN TO:

Carl Uchytil, Port Director City and Borough of Juneau 155 S. Seward Street Juneau, AK 99801

FUEL DOCK LEASE AND LICENSE AGREEMENT

PART 1. PARTIES. This lease and 1 icense agreement is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska, hereafter "CBJ," or "Lessor," and Petro 49, Inc. f/k/a Harbor Enterprises, Inc. d/b/a Petro Marine Services, hereafter "Petro" or "Lessee," a corporation organized under the laws of the State of Alaska.

PART II. LEASE ADMINISTRATION. All communications about this lease shall be directed as follows, and any reliance on a communication with a person other than that listed below is at the party's own risk.

CBJ: Carl Uchytil, PE

Port Director

City and Borough of Juneau

155 S. Seward Street Juneau, AK 99801

Phone: (907) 586-0292

Fax: (907) 586-0295

Lessee: Petro 49, Inc. f/k/a

Harbor Enterprises, Inc.

d/b/a Petro Marine Services

P.O. Box 389

Seward, AK 99664

Phone: (907) 224-3190

Fax: (907) 224-6255



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PART III. LEASE AND LICENSE DESCRIPTION. This agreement is identified as: Fuel Dock Lease and License Agreement (hereinafter "Lease," "Contract," or "Agreement.") The following appendices, as well as anything incorporated by reference or attached to those appendices, are attached hereto and are considered to be part of this Lease Agreement.

Appendix A: Property Description & Additional Lease Provisions Appendix B: Lease Provisions Required by CBJ Chapter 53.20

Appendix C: Standard Provisions
Appendix D: Maps of Property

If in conflict, the order of precedence shall be: this document, Appendix A, B, and then C.

PART IV. LEASE EXECUTION. CBJ and Lessee agree and sign below. This lease is not effective until signed by the CBJ. Lessee represents that the person signing below on its behalf has the authority to do so and that it is a valid and binding lease enforceable in accordance with its terms.

City and Borough of Juneau:

Lessee: Petro 49, Inc.

f/k/a Harbor Enterprises, Inc. d/b/a Petro Marine Services

Date: 10/20/2014

Date: 10/1/2014

Cap Uchytil

Port Director

Matthew Lindsey,

Executive Vice President

Fuel Dock Lease and License Agreement

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CITY and BOROUGH ACKNOWLEDGMENT

STATE OF ALASKA)
) ss: FIRST JUDICAL DISTRICT)
This is to certify that on the <u>Joth</u> day of <u>October</u> , 2014, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Carl Uchytil to me known to be the Port Director of the City and Borough of Juneau, Alaska, a municipal corporation which executed the above foregoing instrument, who on oath stated that he was duly authorized to executive said instrument on behalf of said corporation; who acknowledged to that that he signed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.
WITNESS my hand and official seal the day and year in the certificate first above written.
STATE OF ALASKA OFFICIAL SEAL Teena Scovill NOTARY PUBLIC My Commission Expires With Office Scovill Notary Public in and for the State of Alaska My Commission Expires: with Office
LESSEE ACKNOWLEDGMENT
STATE OF ALASKA)) ss. THIRD JUDICAL DISTRICT)
This is to certify that on the
WITNESSOUPH Mand and official seal the day and year in the certificate first above written. PUBLIC Notary Public in and for the State of Alaska My Commission expires: Commission Commission

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Risk Management Review: Risk Manager
Approved as to Form:, Law Department
Approved as to Content: () (leky ty 10/20/14, Docks & Harbors

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APPENDIX A: PROPERTY DESCRIPTION & ADDITIONAL PROVISIONS

1. DESCRIPTION OF PROPERTY AND AUTHORIZED USE

The property subject to this agreement is generally referred to as "the Premises" or "the Property." References to the "lease premises" or "lease property" are intended to include the area on which the licensed activity will occur, and references to "lease," such as the "lease term," are intended to include the license as well. The Premises are described as follows (as depicted in Exhibit A to Ordinance 2013-08(b), attached):

- a. The uplands area where the Lessee has its fuel storage tanks and associated equipment;
- b. A license extending from the fuel storage tank uplands area to the Lessee's fuel float in the harbor allowing the Lessee to install, maintain, and operate fuel lines, electrical lines, and communication lines:
- c. Authorization to attach Lessee's fuel float to the end of CBJ's main float including the installation of piling required to stabilize the Lessee's fuel float, provided such use does not interfere with the operation of the CBJ's facilities that are adjacent to the fuel dock; and

A copy of Ordinance 2013-08(b) is attached to and made a part of this agreement by this reference. If in conflict, the terms and conditions contained in Ordinance 2013-08(b) shall be controlling. Exhibit A to Ordinance 2013-08(b) is attached as Appendix D and incorporated into this Lease.

Lessee shall submit to the CBJ an as-built legal description within 1 year of executing the Lease. Upon completion of the as-built legal description, and approval by the CBJ, Petro shall record both this lease and a separate document entitled "License," which shall include the as-built legal description.

2. AUTHORITY

This Lease is entered into pursuant to the authority of Ordinance 2013-08(b), CBJ Code Section 85.02.060(a)(5) and CBJ Chapter 53.20.

3. TERM AND RENEWAL OPTION

The effective date of this Agreement shall be the date this Agreement is signed by the CBJ. The term of the Lease is 35 years, commencing on the effective date of this Lease Agreement, unless sooner terminated.

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The CBJ grants Lessee an option to renew this Lease and license for one, successive period of 35 years, subject to CBJ approval of the renewal. Lessee shall exercise this option, if at all, by written notice given to the CBJ during the first six months of the last year of the underlying Lease term.

4. LEASE and LICENSE PAYMENTS AND ADJUSTMENTS

From the effective date through the initial seven years of this Lease, Lessee shall pay rent in the amount of \$0.05 for each gallon of fuel sold at the facility, plus CBJ sales tax if applicable. On the first seven year anniversary and every seven year interval thereafter, the rent shall be reviewed and may be adjusted as (1 + The Anchorage CPI for the cumulative 5 year period immediately preceding the renewal as reported by the Alaska Department of Labor) multiplied by the rent currently in effect.

Lessee shall determine fuel sales from daily meter readings and keep records of these readings for a period of no less than one year from the date of the reading. The CBJ may inspect, in the manner and at reasonable times it considers appropriate, Lessee's daily meter reading records.

5. AUTHORIZED USE OF PREMISES

Lessee may use the leased premises only for fuel sales and the sale of other products customarily sold by the Lessee. The Leased Premises may be used for other purposes only with the written consent of the CBJ, which consent shall not be unreasonably withheld. The Lessee shall notify the CBJ of any seasonal or other closure of the facility no later than ten (10) days prior to closure.

6. INSURANCE REQUIREMENTS

The Lessee shall provide a certification of proper insurance coverage to the City and Borough of Juneau. All insurance required under this contract shall name the CBJ as an additional insured, except with respect to any required Professional Liability or Workers Compensation policies. At least 30 days prior to the cancellation, non-renewal or reduction in the amount of coverage, contractor shall provide written notice to the CBJ's Risk Management. The Lessee's insurance shall be primary and any insurance maintained by the CBJ shall be non-contributory. If the Lessee maintains higher limits than shown below, the CBJ shall be entitled to coverage for the higher limits maintained by the Lessee.

Lessee agrees to maintain insurance as follows at all times while this contract is in effect, including during any periods of renewal.

<u>Commercial General Liability Insurance</u>. The Lessee must maintain Commercial General Liability Insurance in an amount it deems reasonably sufficient to cover any suit that may be brought against the Lessee. This amount must be at least one million dollars (\$1,000,000.00) per occurrence, and two million dollars (\$2,000,000.00) aggregate. The CBJ will be named

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as additional insured on this policy.

Marine General Liability. The Lessee must maintain Marine General Liability Insurance in an amount it deems reasonably sufficient to cover any suit that may be brought against the Lessee. This amount must be at least one million dollars (\$1,000,000.00) per occurrence, and two million dollars (\$2,000,000.00) aggregate. The CBJ will be named as additional insured on this policy.

<u>Comprehensive Automobile Liability Insurance</u>. The coverage shall include all owned, hired, and non-owned vehicles to a one million dollar (\$1,000,000.00) combined single limit coverage. The policy shall contain a MCS 90 Endorsement. The CBJ will be named as additional insured on this policy.

Workers Compensation Insurance. As required by Alaska Statute (AS 23.30), the Lessee must maintain Workers Compensation Insurance to protect the Lessee from any claims or damages for any personal injury or death which may arise from services performed on the Leased Premises. This requirement applies to the Lessee's firm, any subcontractors or assignees, and anyone directly or indirectly employed to perform work by the Lessee on the Leased Premises. The Lessee must notify the CBJ as well as the State Division of Workers Compensation immediately when changes in the Lessee's business operation affect the Lessee's insurance status. Statutory limits apply to Workers Compensation Insurance. The policy must include employer's liability coverage of one hundred thousand dollars (\$100,000.00) per injury and illness, and five hundred thousand dollars (\$500,000.00) policy limits. Lessee also agrees to provide evidence of Longshore and Harbor Worker's Insurance and Jones Act coverage if applicable to the Lessee's use of the Leased Premises. The policy shall be endorsed to waive subrogation rights against the CBJ.

<u>Pollution Legal Liability</u>. The Lessee must maintain Pollution Legal Liability coverage, applicable to the Lessee's use of the Leased Premises, with a limit no less than two million dollars (\$2,000,000.00) per occurrence and two million dollars (\$2,000,000) aggregate per annual policy period. CBJ will be named as additional insured on this policy.

Deductibles and Self-Insured Retentions. Any deductibles and self-insured retentions must be declared to the CBJ. The CBJ may require the Lessee to provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention.

Claims Made Policies. If any of the required policies provide coverage on a claims-made basis:

- 1. The Retroactive Date must be declared and must be before the effective date of the Lease.
- 2. Insurance must be maintained and evidence of insurance must be provided for at least one (1) year after expiration or termination of the Lease.
- 3. If coverage is canceled or non-renewed, and not replaced with another claims

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-made policy form with the Retroactive Date prior to the Lease's effective date, the Lessee must purchase "extended reporting" coverage for a minimum of one (1) year after termination of the Lease.

7. SPECIAL CANCELLATION PROVISION.

This provision applies only during the initial Lease term, and only if CBJ terminates the Lease because CBJ, due to its own actions, is unable to provide the Lessee with either the Leased Premises listed in this Lease or alternate Leased Premises acceptable to the Lessee. If the Lease is terminated due to these factors, CBJ will compensate the Lessee in an amount equal to the initial capital investment made by the Lessee minus depreciation (calculated by a 35 year straight line method) and any residual salvage value at the time of termination. If this provision is exercised, Lessee will provide CBJ with documentation, satisfactory to the CBJ establishing Lessee's initial capital investment. This documentation will form the basis for the depreciation calculation.

8. REQUIRED HOURS OF OPERATION

Lessee intends to provide fuel dock service on a year-round basis. During the boating season (April I to September 30), Lessee intends to operate seven days per week. Hours of operation shall be prominently posted at the fuel dock office and made available to the Statter Harbor Office. During the off-season (October I to March 31), Lessee intends to operate the fuel dock service on a periodically scheduled and/or appointment basis with hours of operation and contact number prominently posted at the fuel dock office.

9. LEASEHOLD IMPROVEMENTS

The Lessee shall obtain the prior, written approval from the CBJ before installing any improvements to the Leased or licensed Premises. Improvements made to Lessee-owned equipment or facilities do not need prior approval, unless such improvements will impact or interfere with the CBJ's use or operation of the licensed areas. The CBJ shall not unreasonably withhold approval.

10. MAINTENANCE

Lessee shall be responsible for maintaining all improvements made to the Leased Premises in good working order. The CBJ shall be responsible for maintaining all areas adjacent to the Leased and licensed Premises in good working order.

11. UTILITIES AND SERVICES

The Lessee shall be responsible for electricity, communications, and janitorial services at their facilities. The Lessee may use the CBJ's solid waste dumpster. The CBJ will provide water service to the fuel float during the boating season (April 1 – September 30).

12. PARKING

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The CBJ will designate one (1) parking space for use by the Lessee's employees.

13. FUEL DELIVERY

The Lessee shall, to the extent possible, schedule fuel deliveries to replenish the upland tanks so as not to conflict with peak use of the CBJ's facilities. During peak activity periods, it may be necessary to make multiple deliveries per day and assistance from the Statter Harbor staff may be necessary to accomplish this. Lessee shall, where possible, notify Lessor 24 hours in advance if such conditions are expected to occur.

14. LICENSE

The CBJ grants a non-exclusive license to the Lessee for the purposes outlined in Section 3 of Ordinance Serial No. 2013-08(b) and Section 1, above. The License granted to Lessee by CBJ shall not be revocable unless and until (1) the Lease expires; (2) the Lease is cancelled pursuant to Section 7 of Appendix A; or (3) the Lease is cancelled, forfeited or breached pursuant to Section 6 of Appendix B. Therefore, barring one of the three reasons provided, the license – unlike the common legal definition of a license – cannot be revoked by CBJ.

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APPENDIX B: LEASE PROVISIONS REQUIRED BY CBJ CHAPTER 53.20 and CBJ CHAPTER 50

1. RESPONSIBILITY TO PROPERLY LOCATE ON LEASED PREMISES.

As required by CBJ 53.20.160, it shall be the responsibility of Lessee to properly locate Lessee's improvements on the Leased Premises and failure to so locate shall render Lessees liable as provided by law.

2. APPROVAL OF OTHER AUTHORITIES.

As required by CBJ 53.20.180, the issuance by the CBJ of leases, including this Lease, under the provisions of CBJ Title 53 does not relieve Lessees of responsibility for obtaining licenses, permits, or approvals as may be required by the CBJ or by duly authorized state or federal agencies.

3. TERMS AND CONDITIONS OF LEASES REQUIRED BY CBJ 53.20.190.

As required by CBJ 53.20.190, the following terms and conditions govern all leases and are incorporated into this Lease unless modified by the Assembly by ordinance or resolution for this specific Lease. Modifications of the provisions of this Appendix B applicable to this specific Lease, if any, must specifically modify such provisions and be supported by the relevant ordinance or resolution to be effective.

- (1) Lease Utilization. The Leased Premises shall be utilized only for purposes within the scope of the application and the terms of the Lease, and in conformity with the provisions of CBJ code, and applicable state and federal laws and regulations. Utilization or development of the Leased Premises for other than the allowed uses shall constitute a violation of the Lease and subject the Lease to cancellation at any time.
- (2) Adjustment of Rental. Lessee agrees to a review and adjustment of the annual rental payment by the Port Director not less often than every seventh year of the Lease term beginning after completion of the initial term.
- Case Mereunder; provided, that the proposed sub-lessee shall first apply to the CBJ for a permit therefore; and further provided, that the improvements on the Leased Premises are the substantial reason for the sublease. Leases not having improvements thereon shall not be sublet. Subleases shall be in writing and be subject to the terms and conditions of the original Lease; all terms, conditions, and covenants of the underlying lease that may be made to apply to the sublease are hereby incorporated into the sublease.
- Assignment. Lessee may assign its rights and obligations under this Lease, provided that the proposed assignment shall be approved by the CBJ prior to any assignment. Approval of assignment will not unreasonably be withheld. The assignee shall be subject to all of the provisions of the Lease. All terms, conditions, and covenants of the underlying lease that may be made applicable to the assignment are hereby incorporated into the assignment.

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(5) Modification. The Lease may be modified only by an agreement in writing signed by all parties in interest or their successor in interest.

(6) Cancellation and Forfeiture.

- (a) The Lease, if in good standing, may be cancelled in whole or in part, at any time, upon mutual written agreement by Lessee and the CBJ.
 - (b) The CBJ may cancel the Lease if it is used for any unlawful purpose.
- (c) The CBJ shall provide written notice if Lessee shall default in the performance or observance of any of the Lease terms, covenants or stipulations thereto, or of the regulations now or hereafter in force, without remedy by Lessee of the conditions warranting default within 30 days of receipt of notice. The CBJ may subject Lessee to appropriate legal action including, but not limited to, forfeiture of the Lease. No improvements may be removed by Lessee or other person during any time Lessee is in default.
- (d) Failure to make substantial use of the land, consistent with the proposed use, within one year shall in the discretion of the CBJ with approval of the Assembly constitute grounds for default.
- (7) Notice or Demand. Any notice or demand, which under terms of a lease or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address of record. However, either party may designate in writing such new or other address to which the notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office enclosed in a registered or certified mail prepaid wrapper or envelope addressed as hereinbefore provided.
- (8) Rights of Mortgage or Lienholder. In the event of cancellation or forfeiture of a Lease for cause, the holder of a properly recorded mortgage, conditional assignment or collateral assignment will have the option to acquire the Lease for the unexpired term thereof, subject to the same terms and conditions as in the original Lease.
- hereinbefore provided, or by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by Lessee during the term, the CBJ or its agents, servants, or representative, may, immediately or any time thereafter, reenter and resume possession of lands or such thereof, and remove all personals and property there from either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefore. No reentry by the CBJ shall be deemed an acceptance of a surrender of the Lease.
 - (10) Lease. In the event that the Lease should be terminated as herein provided, or

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by summary proceedings, or otherwise, the CBJ may offer the lands for lease or other appropriate disposal pursuant to the provisions of CBJ code.

- (11) Forfeiture of Rental. In the event that the lease should be terminated because of any breach by Lessee, as herein provided, the rental payment last made by Lessee shall be forfeited and retained by the CBJ as partial or total damages for the breach.
- breach of the Lease by Lessee or of any default on the part of Lessee in observance or performance of any of the conditions or covenants of the Lease, shall not be deemed a waiver of any provision of the Lease. No failure on the part of the CBJ to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by the CBJ unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of the CBJ to enforce the same in the event of any subsequent breach or default. The receipt, by the CBJ, of any rent or any other sum of money after the termination, in any manner, of the term demised, or after the giving by the CBJ of any notice thereunder to effect such termination, shall not reinstate, continue, or extend the resultant term therein demised, or destroy, or in any manner impair the efficacy of any such notice or termination as may have been given thereunder by the CBJ to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by the CBJ.
- (13) **Expiration of Lease**. Unless the Lease is renewed or sooner terminated as provided herein, Lessee shall peaceably and quietly leave, surrender and yield up to the CBJ all of the leased land on the last day of the term of the Lease.
- (14) Renewal Preference. Any renewal preference granted to Lessee is a privilege, and is neither a right nor bargained for consideration. The Lease renewal procedure and renewal preference shall be that provided by ordinance in effect on the date the application for renewal is received by the designated official.
- Improvements owned by Lessee shall within sixty calendar days after the termination of the Lease be removed by Lessee; provided, such removal will not cause injury or damage to the lands or improvements demised; and further provided, that the CBJ may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by Lessee may, with the consent of the CBJ, be sold to the succeeding Lessee. All periods of time granted Lessee to remove improvements are subject to Lessee's paying the CBJ pro rata lease rentals for the period.
- (a) If any improvements and/or chattels not owned by the CBJ and having an appraised value in excess of five thousand dollars as determined by the assessor are not removed within the time allowed, such improvements and/or chattels on the lands, after deducting for the CBJ rents due and owning and expenses incurred in making such sale. Such rights to proceeds of the sale shall expire one year from the date of such sale. If no bids

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- (b) If any improvements and/or chattels having an appraised value of five thousand dollars or less, as determined by the assessor, are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, the CBJ.
- (16) **Rental for Improvements or Chattels not Removed.** Any improvements and/or chattels belonging to Lessee or placed on the Lease during Lessee's tenure with or without his permission and remaining upon the premises after the termination date of the Lease shall entitle the CBJ to charge Lessee a reasonable rent therefor.
- (17) Compliance with Regulations Code. Lessee shall comply with all regulations, rules, and the code of the City and Borough of Juneau, and with all state and federal regulations, rules and laws as the code or any such rules, regulations or laws may affect the activity upon or associated with the leased land.
- (18) Condition of Premises. Lessee shall keep the premises of the Lease in neat, clean, sanitary and safe condition.
- (19) **Inspection**. Lessee shall allow an authorized representative of the CBJ to enter the Lease land for inspection at any reasonable time and upon reasonable notice.
- (20) Use of Material. Lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoils, or any other materials valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved by the CBJ.
- Rights-of-Way. The CBJ expressly reserves the right to grant easements, licenses, or rights-of-way across leased land if it is determined in the best interest of the CBJ to do so. If CBJ grants an easement, license, or right-of-way across the leased land, Lessee shall be entitled to damages for all Lessee-owned improvements destroyed or damaged. Damages shall be limited to improvements only, and loss shall be determined by fair market value. Rent may be adjusted to compensate Lessee for loss of use.
- (22) Warranty. The CBJ does not warrant by its classification or leasing of land that the land is ideally suited for the use authorized under the classification or lease and no guaranty is given or implied that it shall be profitable to employ land to said use.
- (23) Lease Rental Credit. When authorized in writing by the CBJ prior to the commencement of any work, Lessee may be granted credit against current or future rent; provided the work accomplished on or off the leased area results in increased valuation of the leased or other city and borough-owned lands. The authorization may stipulate type of work, standards of construction and the maximum allowable credit for the specific project.

Page 14 of 25 2014-004799-0 Title to improvements or chattels credited against rent under this section shall vest immediately and be in the CBJ and shall not be removed by Lessee upon termination of the Lease.

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APPENDIX C:

STANDARD PROVISIONS

- (1) **Holding Over**. If Lessee holds over beyond the expiration of the term of this Lease and the term has not been extended or renewed in writing, such holding over will be a tenancy from month-to-month only.
- (2) Interest on Late Payments. Should any installment of rent or other charges provided for under the terms of this Lease not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of 12 percent per annum, if no rate has been set by ordinance.
- (3) Taxes, Assessments, and Liens. During the term of this Lease, Lessee shall pay, in addition to the rents, all taxes, assessments, rates, charges, and utility bills for the Leased Premises and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, against the Leased Premises or the improvements placed thereon.
- (4) **Easements**. Lessee shall place no building or structure over any portion of the Leased Premises where the same has been set aside or reserved for easements.
- (5) **Encumbrance of Parcel**. Lessee shall not encumber or cloud the CBJ's title to the Leased Premises or enter into any lease, easement, or other obligation of the CBJ's title without the prior written consent of the CBJ; and any such act or omission, without the prior written consent of the CBJ, shall be void against the CBJ and may be considered a breach of this Lease.
- (6) Valid Existing Rights. This Lease is entered into and made subject to all existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this Lease.
- Premises, to comply with applicable sections of Alaska law prohibiting discrimination, particularly Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited). In the event of Lessee's failure to comply any of the above non-discrimination covenants, the CBJ shall have the right to terminate the Lease.
- Unsafe Use. Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.

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- (9) Hold Harmless. Lessee agrees to defend, indemnify, and hold harmless the CBJ and its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit related to or arising out of the use, operation, maintenance and occupancy of the Leased Premises or improvements by Lessee, including any further development of the leased premises or improvements by Lessee. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, and without limitation as to any damages resulting from settlement, judgment or verdict, and includes the award of any reasonable attorneys fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon notice to the CBJ of any action, claim, or lawsuit. The CBJ shall notify Lessee in a timely manner if the need for indemnification, but such notice is not a condition precedent to Lessee's obligations and may be waived where Lessee has actual notice. This agreement applies, and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against the CBJ.
- (10) **Successors.** This Lease shall be binding on the successors, administrators, executors, heirs, and assigns of Lessee and the CBJ.
- (11) Choice of Law; Venue. This Lease shall be governed by the law of the State of Alaska. Venue shall be in the State of Alaska, First Judicial District at Juneau.

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Fuel Dock Lease and Easement Agreement

APPENDIX D:

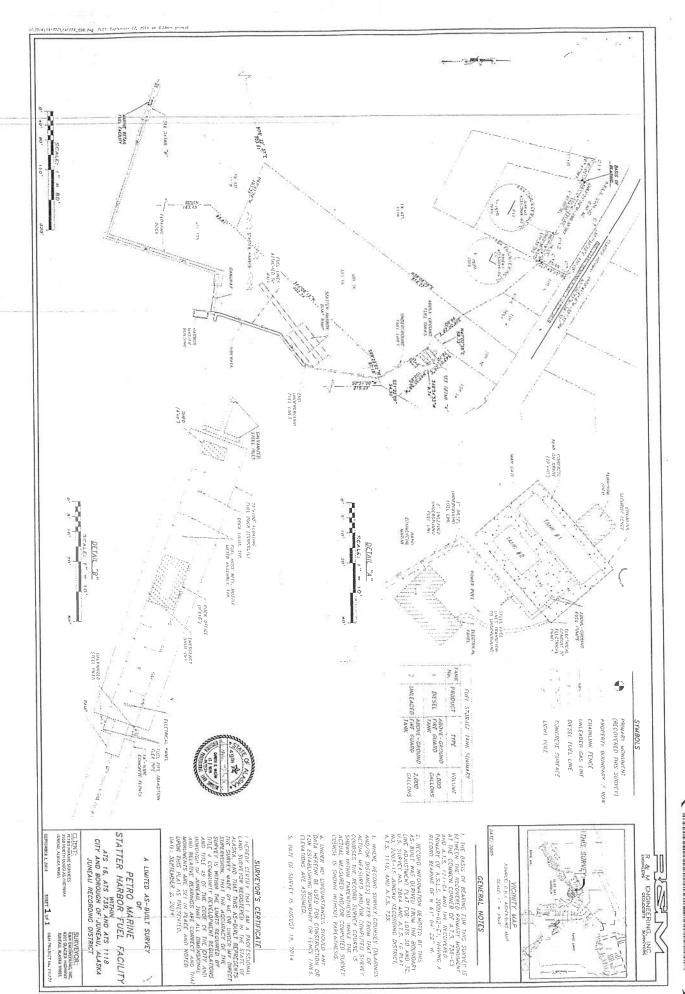
MAP(S) OF THE PROPERTY and AS-BUILT (attached)

Fuel Dock Lease and Easement Agreement



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Presented by: The Manager Introduced: 03/04/2013 Drafted by: J.W. Hartle

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2013-08(b)

An Ordinance Authorizing the Port Director to Negotiate and Execute a Lease With Harbor Enterprises, Inc., d/b/a Petro Marine, for Upland Areas at the Don Statter Harbor Facility, Including a License for Fuel Lines Extending Through City and Borough Property to Connect Fuel Storage Tanks to the Fuel Float.

WHEREAS, on March 1, 2001, a Fuel Dock Lease was executed by and between Deharts Auke Bay Store, Inc., d/b/a Deharts Marina and Petro Marine Services, with a termination date of March 14, 2006, and an option to extend; and

WHEREAS, on June 4, 2004 a lease addendum was executed between the parties extending the original Fuel Dock Lease until February 28, 2014; and

WHEREAS, on July 1, 2005, a Tri-Party Agreement was executed between the City and Borough, Deharts Marina, and Harbor Enterprises, Inc. d/b/a Petro Marine, with the City and Borough assuming the terms and conditions of the original Fuel Dock Lease and incorporating an Addendum dated July 1, 2005; and

WHEREAS, in 2005, the City and Borough purchased Deharts Marina; and

WHEREAS, the Addendum to the original Fuel Dock Lease, dated July 1, 2005, was executed between City and Borough, as successor to Deharts Auke Bay Store, Inc., d/b/a Deharts Marina and Harbor Enterprises, Inc., d/b/a Petro Marine Services, and reconfirmed the initial term extended to end February 28, 2014, and amended the option to extend to three (3) five-year terms, subject to renegotiation of the lease rate, with the option to purchase/right of first refusal deleted, and new language added recognizing Petro Marine's use of a new fueling facility with consideration given for any unamortized capital investment; and

WHEREAS, the Port Director recommended a new lease be approved, under the terms and conditions in accordance with City and Borough ordinances and regulations with Harbor Enterprises, Inc., d/b/a Petro Marine Services; and

WHEREAS, the Docks and Harbors Board at its November 30, 2012 regular meeting approved a new fuel float lease at the Don Statter Harbor Facility with Harbor Enterprises, Inc., d/b/a Petro Marine Services; and

WHEREAS, the parties now desire to enter into a new lease agreement as recommended by the Docks and Harbors Board; and



WHEREAS, the Board is authorized in CBJ 85.02.060(a)(5) to lease lands as provided in CBJ Chapter 53.20, and any action required by CBJ Title 53 of the City Manager may be performed by the Port Director; and

WHEREAS, CBJ 53.20.020 authorizes the lease of lands owned by the City and Borough, including tidelands and submerged lands, by ordinance under such procedure and minimum terms and conditions as set forth in the ordinance; and

WHEREAS, as recommended and approved by the Docks and Harbors Board, the parties now desire to enter into a Fuel Dock Lease Agreement for the lease of the subject property hereinafter referred to as "the Leased Premises."

Now, Therefore, Be it Enacted by the Assembly of the City and Borough of Juneau, Alaska:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Authorization to Lease. The Port Director is authorized to negotiate and execute a lease on behalf of the City and Borough (LESSOR) to Harbor Enterprises, Inc., d/b/a Petro Marine Services (LESSEE), of the Leased Premises, containing approximately 1,100 square feet of City and Borough-owned uplands and will include a license allowing Lessee to run fuel lines through City and Borough property, including the City and Borough-owned floats, as generally depicted on "Exhibit 1. Leased Premises" attached to this ordinance.

Section 3. Minimum Essential Terms and Conditions. The lease is subject to the following minimum essential terms and conditions:

- (A) The leased property shall be used by Lessees for the following purpose(s):
 - (1) The uplands area where the Lessee has its fuel storage tanks and associated equipment;
 - (2) A license extending from the fuel storage tank uplands to the Lessee's fuel float in the harbor allowing the Lessee to install, maintain, and operate fuel lines, electrical lines, and communication lines;
 - (3) Authorization to attached Lessee's fuel float to the end of City's main float including the installation of piling required to stabilize the Lessee's fuel float, provided such use does not interfere with the operation of the City's facilities that are adjacent to the fuel dock.
- (B) The lease shall be for a term of thirty-five years, beginning on the date the lease agreement is signed by the City and Borough, with one thirty-five year renewal option, subject to City and Borough approval of any renewal. Lessee shall exercise this option, if at all, by written notice given to the Lessor during the first six months of the last year of the underlying lease term.
- (C) From the effective date through the initial seven years of this Lease, Lessee shall pay rent in the amount of \$0.05 for each gallon of fuel sold at the facility, plus CBJ sales tax if applicable.

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(D) On the first seven year anniversary and every seven year interval thereafter, the rent shall be reviewed and may be adjusted as (1 + The Anchorage CPI for the cumulative 5-year period immediately preceding the renewal as reported by the Alaska Department of Labor) multiplied by the rent currently in effect.

Lessee shall determine fuel sales from daily meter readings and keep records of these readings for a period of no less than one year from the date of the reading. The City may inspect, in the manner and at reasonable times it considers appropriate, Lessee's daily meter reading records.

- (E) Lessees shall be responsible for obtaining all necessary permits and approvals for any further development of the leased property or improvements. In addition, Lessees are required to obtain approval of any development plans from the City and Borough Docks and Harbors Board prior to any further development of the leased property or improvements.
- (F) Lessees shall indemnify, defend, and hold harmless the City and Borough and its officers and employees for any claims related to or arising out of Lessees' use, operation, or maintenance of the leased property, equipment, and improvements, including any further development of the leased property or improvements by Lessees.
- (G) The lease shall include all provisions of the standard City and Borough land lease form not in conflict with this ordinance, and any other provisions that the Port Director determines to be in the public interest.

Section 4. Execution. The lease authorized by this ordinance may be enforced according to its terms notwithstanding any procedural or substantive deviations or differences from CBJ Title 53.

Section 5. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this 1st day of April, 2013.

Merrill Sanford, Ma

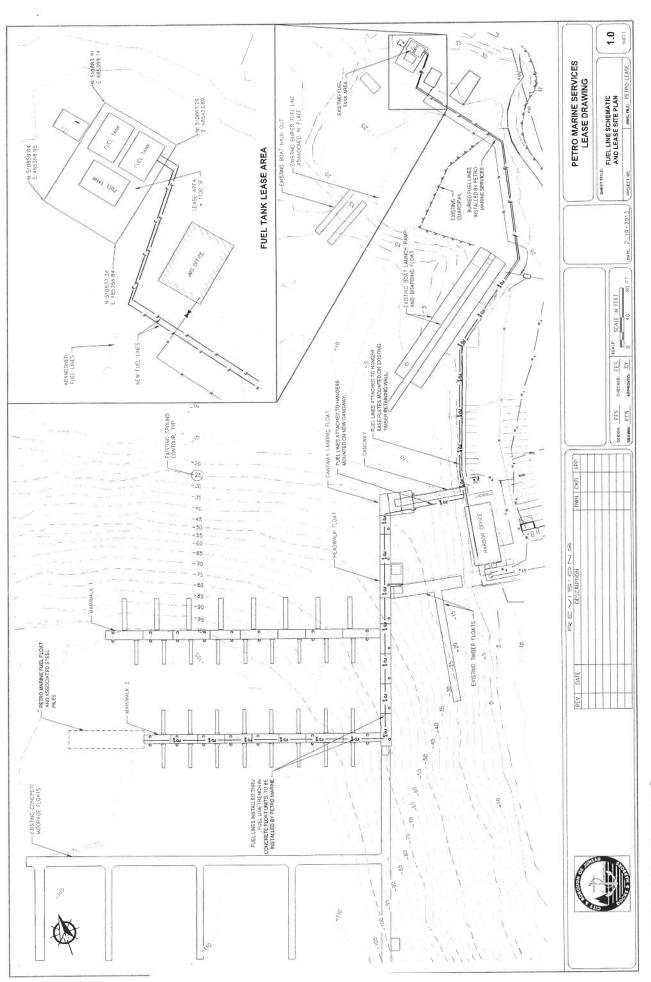
Attest:

Elizabeth J. (McEwen, Acting Clerk

Ord. 2013-08(b)

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Exhibit A



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/16/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the

Certificate floider in fled of such endorsement(s).		
PRODUCER	CONTACT NAME:	
Marsh & McLennan Agency LLC 1031 W. 4th Avenue P: (907) 276-5617		FAX (A/C, No):
Suile #400 F: (907) 276-6292 Anchorage, AK 99501	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC#
Attn: Kim Thomas 101346-KAT-GAWP-14-15	INSURER A: National Union Fire Insurance Company	19445
INSURED Petro 49, Inc. (formerly known as Harbor Enterprises, Inc.) Petro Marine Services Alaska Oil Sales P. O. Box 389	INSURER B : Axis Surplus Insurance Company	26620
	INSURER C: New Hampshire Insurance Company	23841
	INSURER D: Chubb Custom Insurance Company	38989
	INSURER E :	
Seward, AK 99664	INSURER F:	
	DEVISION NUM	IDED-8

COVERAGES CERTIFICATE NUMBER: SEA-002331961-41 REVISION NUMBER: 8 THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS

CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NSR LTR	TYPE OF INSURANCE	ADDL S		POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMIT	S	
A	GENERAL LIABILITY	X	GL4406399	03/01/2014	03/01/2015	EACH OCCURRENCE	\$ 1,000,00	
	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER:					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,00	
						MED EXP (Any one person)	\$ 25,00	
						PERSONAL & ADV INJURY	s 1,000,00	
						GENERAL AGGREGATE	\$ 2,000,00	
						PRODUCTS - COMP/OP AGG	s 2,000,00	
	X POLICY PRO-						S	
Α	AUTOMOBILE LIABILITY	Х	CA4982762	03/01/2014	03/01/2015	COMBINED SINGLE LIMIT (Ea accident)	s 1,000,00	
	X ANY AUTO					BODILY INJURY (Per person)	\$	
	ALL OWNED SCHEDULED AUTOS AUTOS					BODILY INJURY (Per accident)	\$	
	HIRED AUTOS NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident)	\$	
	X MCS90							
В	UMBRELLA LIAB X OCCUR	DE		ELU720468012014	03/01/2014	03/01/2015	EACH OCCURRENCE	5 1,000,00
	X EXCESS LIAB CLAIMS-MADE					AGGREGATE	s 1,000,00	
	DED RETENTION \$					\$		
С	WORKERS COMPENSATION	WC15884229	03/01/2014	03/01/2015	X WC STATU- OTH- TORY LIMITS ER			
	ANY PROPRIETOR/DAPTNED/EVECUTIVE	RTNER/EXECUTIVE					E.L. EACH ACCIDENT	s 1,000,00
	OFFICER/MEMBER EXCLUDED? (Mandatory In NH)					E.L. DISEASE - EA EMPLOYEE		
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - POLICY LIMIT	\$ 1,000,00	
D	Pollution Legal Liability		37313876	08/01/2014	08/01/2016	Each Occurrence	2,000,00	
	Deductible \$100,000					Aggregate	2,000,00	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Maritime Employer's Limit - \$1,000,000

RE: Auke Bay Marina fuel float leaseAuke Bay Marina fuel float lease

Where required by contract, Certificate Holder is an Additional Insured on the General Liability, Auto Liability and Polluction Liability policies, subject to the terms, conditions and limitations of said policies and the additional insured endorsement.

CERTIFICATE HOLDER	CANCELLATION
City & Borough of Juneau 158 South Seward Street Juneau, AK 99801	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE of Marsh USA Inc.
4	Kirk C. Leadbetter Kirk C. Leadbette
	© ADDO COAD A CORD CORDODATION All rights recorded

© 1988-2010 ACORE



AGENCY CUSTOMER ID: 101346

LOC #: Anchorage

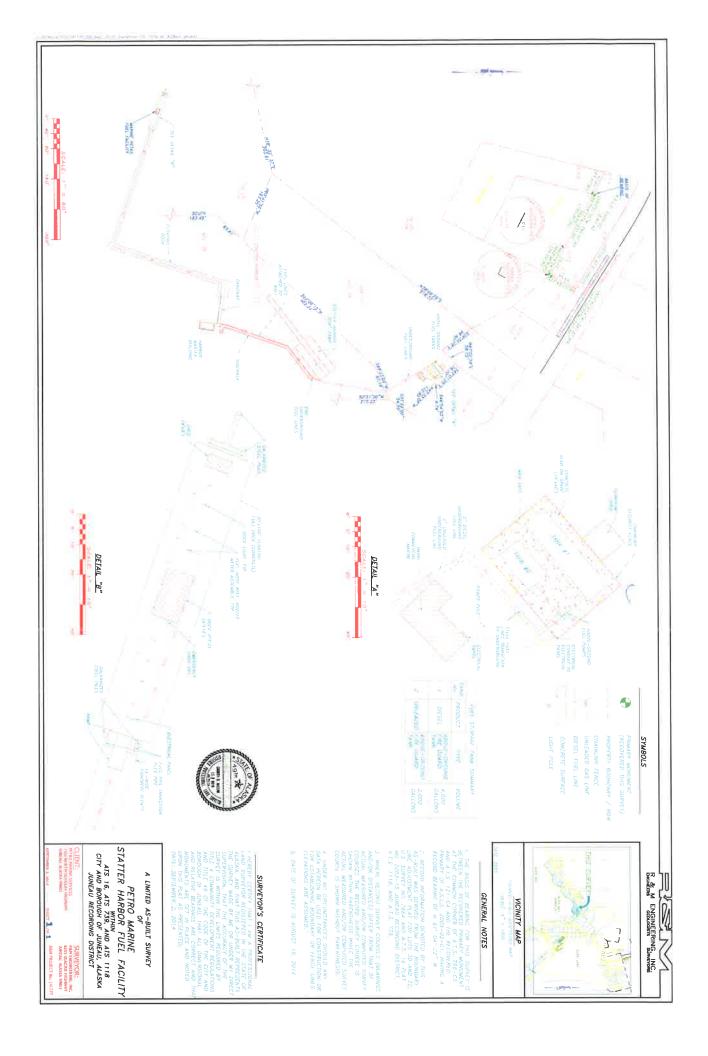


ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Marsh & McLennan Agency LLC		NAMED INSURED Petro 49, Inc.			
POLICY NUMBER		(formerly known as Harbor Enterprises, Inc.) Petro Marine Services			
		Alaska Oil Sales P.O. Box 389			
CARRIER	NAIC CODE	Seward, AK 99664 EFFECTIVE DATE:			
ADDITIONAL REMARKS					
THIS ADDITIONAL REMARKS FORM IS A SCHEDULE	TO ACORD FORM,				
FORM NUMBER: 25 FORM TITLE: Certification	ate of Liability Insura	ance			
This is evidence of insurance procured and developed under the Alaska Su the following Surplus Lines Brokers: Marsh & McLennan Agency, LLC. Re		s not covered by the Alaska Insurance Guaranty Association Act, AS 21.80. This insurance was placed through only.			

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JUNEAU DISTRICT RECORDER 400 WILLOUGHBY AVE STE 300 JUNEAU, AK 99801 907-465-3449

JUNEAU DISTRICT RECORDER 0017340000252752101700

Date: 10/22/2014

01:42:08 PM

CREDIT CARD SALE

CARD NUMBER: *******6901 S

TRAN AMOUNT: \$142.00 APPROVAL CD: 094939 RECORD #: 001 CLERK ID: NROCMPU
CUST CODE: 6901
SALES TAX: \$0.00

Thank you!

Customer Copy

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES JUNEAU RECORDER'S OFFICE 400 WILLOUGHBY, 3RD FLOOR JUNEAU, AK 99801 (907) 465-3449/465-3425

REC DATE 10/22/2014

RECEIPT NUMBER 3873026

RECEIPT DESCRIPTION RECORDERS OFFICE FEE

BANK CD/CK NUMBER:

6901 RECORDING RECEIPT AMOUNT: \$142.00

SERIAL NUMBER INFORMATION

YEAR: 2014 BEGINNING NUMBER: 4799 ENDING NUMBER: 4799

TOTAL PAGES: 25

RECORDING FEES : \$140.00 FILING FEES

COPY FEES

CONFORMED COPY FEES CERTIFICATION FEES

: \$2.00

PLAT FEES PLAT COPY FEES

OVER SIX NAMES FEES

NON REFUNDABLE OTHER FEES

COPY SEARCH FEES INFORMATION SEARCH FEES :

NON STANDARD DOCUMENT:

MYLAR COPY FEES :

REMITTER: TEENA SCOVILL

155 S SEWARD

JUNEAU

AK 99801

COMMENTS: CBJ

RECEIPT - DO NOT PAY

TO VIEW RECORDING INFORMATION ON THE INTERNET - PLEASE VISIT OUR WEB SITE AT: WWW.RECORDER.ALASKA.GOV

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