

City of Kotzebue
TIDELANDS PERMIT
Arctic Circle Wild Seafood - Permittee

The City of Kotzebue owns surface Tidelands and submerged Tidelands pursuant to, *inter alia*, Alaska Department of Natural Resources, Division of Lands, Interagency Land Management Transfer, ADL #19285, dated September 10, 1962, State of Alaska Patent, Tidelands No. 185, dated April 11, 1966, recorded at Book 40, Page 107, Noatak - Kobuk Recording District, Noatak - Kobuk Serial No. 66-219, A.T.S. 238 showing 395.208 acres and Alaska Statutes, Title 38, Public Lands. Copies of A.T.S. 238 and related documents are attached hereto as Exhibit "A" and incorporated herein by reference.

Chapter 11.04, "Tideland Regulations," of the Kotzebue Municipal Code ("KMC"), governs, *inter alia*, the use of, improvement of, rights-of-way, easements and resources reservation over, under and through the City of Kotzebue's Tidelands and KMC Chapter 11.04 is incorporated, in its entirety, herein by reference. This Tidelands Permit is issued pursuant to City of Kotzebue Resolution No. 18-08, dated August 17, 2017, a copy of which is attached hereto as Exhibit "B" and incorporated herein by reference.

Nature of Request for Temporary Non-Exclusive Use of Tidelands

Arctic Circle Wild Seafood ("ACWS") will be buying salmon from local fishermen during the oncoming **2026** commercial season, as set forth in Exhibit "C" attached hereto and incorporated herein by reference.

Conditions Precedent and Promissory Conditions

As conditions to obtaining this TIDELANDS PERMIT, ACWS warrants and commits as follows:

1. ACWS shall obtain all necessary permits, if any, from the federal government, State of Alaska and local governments required for work in the waters in and around Kotzebue and present copies of said permits to Lloyd Walker, Planning Director, City of Kotzebue, before any work is commenced in the Tidelands;
2. KMC 11.04.510, 11.04.630 and 11.04.640, normally would require ACWS to pay for an appraisal by MacSwain & Associates, LLC, Anchorage, Alaska for the value of the non-exclusive use of the City's surface Tidelands and the value so determined would be paid to the City. However, due to the time sensitive nature of this work, the requirement for a formal appraisal is hereby waived and it is agreed that ACWS will negotiate an amount to be paid to the City, subject *vel non* to City Council approval, for the temporary, non-exclusive use of the City of Kotzebue's Tidelands.

PERMIT TERMS AND CONDITIONS

1. ACWS and/or its agent(s) warrants and commits that it and/or its agent(s) shall comply with all terms of the contracts/agreements/permits entered into/granted by the federal government, State of Alaska and local governments.
2. ACWS and/or its agent(s) shall comply with any and all applicable local, borough, state and federal laws. Failure to abide by any part of this Permit or violation of any pertinent provisions of the Kotzebue Municipal Code, Northwest Arctic Borough Code, Alaska Statutes, Alaska Administrative Code or federal laws or regulations, will be considered grounds for revocation of this Permit or denial of future permit requests and may result in fines or other penalties. This provision shall apply to all persons working under authority of this Permit.
3. All trash and human waste shall be properly disposed of in accordance with State, Northwest Arctic Borough and City of Kotzebue standards for disposal of refuse, human waste and chemicals.
4. All Permit activities shall utilize measures to minimize noise and nuisance affecting surrounding residential properties, including excessive noise, fumes, odors, glare, smoke, vibration, dust, litter, interference in any telephone, radio or television receivers, and/or significant line voltage fluctuation.
5. Equipment/watercraft used in the performance of the activities covered by this Permit shall not be serviced and fueled within the boundaries of the City's Tidelands. Equipment and vehicles must be monitored, daily, for hydraulic leaks. Equipment and vehicles are to be maintained so as not to cause any fuel spills and/or fluid leaks. Equipment shall not be abandoned.
6. ACWS and/or its agent(s) shall immediately notify the City of any damage to the waters and/or bottom of the City's Tidelands, including, but not limited to, environmental spills of oil or other chemicals.
7. ACWS and/or its agent(s) shall immediately notify the City (at least within 24 hours) of any change in the Permit plans and seek modification of the Permit. ACWS and/or its agent(s) shall suspend uses until approval is given by the Public Works Director. If the proposed action constitutes an emergency, ACWS and/or its agent(s) shall comply with directions from the Planning Director, or his Designee, for such emergency actions and shall make reasonable efforts to conduct modified uses in a manner that avoids or

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minimizes significant harm to the environment, consistent with the need to protect property and human life.

8. ACWS and/or its agent(s) are subject to all penalties and civil actions for violation of the Permit conditions and stipulations prescribed herein.
9. The Permittee shall allow the City and its representatives access to the permitted areas during the term of this Permit to conduct scheduled or unscheduled inspections or tests to determine compliance with this Permit or respond to emergency situations.
10. This Permit is for City Tidelands only and does not apply to other lands within the Kotzebue Sound not held in City ownership.
11. This Permit is not a property right. It is a temporary non-exclusive, authorization, revocable by the City for cause.
12. ACWS is responsible for obtaining authorizations required by other agencies for the permitted activity.
13. The City's primary contact person for this Permit is the Planning Director, or his Designee. The Planning Director may be contacted at the Public Works Building, at his direct-dial numbers of (907) 442-5203, via fax at (907) 442-2155 and/or via e-mail to lwalker@kotzebue.org.
14. ACWS assumes all responsibility, risk and liability for all activities of Permittee, its employees, agents, invitees, contractor, subcontractors or licensees directly or indirectly conducted in connection with this Permit, including environmental and hazardous substance risks and liabilities, whether accruing during or after the term of this Permit. Permittee shall defend, indemnify and hold harmless the City of Kotzebue, its employees and agents from and against any and all suits, claims, actions, losses, costs, penalties and damages of whatever kind or nature, including all attorney's fees and litigation costs, arising out of, in connection with, or incident to any act or omission by Permittee, its employees, agents, invitees, contractors, subcontractors or licensees, unless the sole proximate cause of the injury or damage is the negligence or willful misconduct of the City or anyone acting on the City's behalf. Within fifteen (15) days, Permittee shall accept any such cause or action or proceeding upon tender by the City. This indemnification shall survive the termination of the Permit.
15. This authorization is subject to all valid existing rights in and to the land under this authorization. The City makes no representations or warranties, whatsoever, either expressed or implied, as to the existence, number or nature of such valid existing rights.

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16. Since this is a temporary, non-exclusive use permit for ACWS, the City reserves the right to grant additional authorizations to other third-parties for compatible uses on or adjacent to the land under this authorization. However, any other users on or adjacent to the area of Tidelands being used by ACWS, shall not interfere with ACWS's salmon-buying activities with local fishermen during the **2026** commercial fishing season.
17. The area used for this Permit shall be left in a clean, safe condition acceptable to the Planning Director. The area shall be restored to a condition acceptable to the Planning Director.
18. This authorization is revocable immediately upon violation of any of its terms, conditions, stipulations, nonpayment of fees or upon failure to comply with any other applicable laws, statutes and regulations (federal, state and local).
19. To proceed in areas other than in the City Tideland Area, ACWS must have prior authorization from the Planning Director and may request this authorization as an amendment to this Permit.
20. All operations must be conducted in a manner that will ensure minimum conflict with other users of the area. There shall be no interference with free public use of City lands and waters. Public access may not be restricted without prior approval of the Planning Director.
21. The area subject to this Permit shall be maintained in a neat, clean and safe condition, free of any solid waste, debris or litter.
22. The use authorized by this Permit shall be limited to the City-owned tidelands. ACWS is responsible for accurately siting operations within this area. Any proposed activity outside the City-owned tidelands may require approval of other local, state and/or federal entities which shall be the sole responsibility of ACWS.
23. Secondary containment shall be provided for fuel or hazardous substances, as follows:
 - a. Container marking. All independent fuel and hazardous substance containers shall be marked with the contents and ACWS's name using paint or a permanent label.
 - b. Fuel or hazardous substance transfers. Secondary containment or a surface liner must be placed under all container or vehicle fuel tank inlet and outlet points, hose connections, and hose ends during fuel or hazardous substance transfers. Appropriate spill response equipment must be on hand during any transfer or handling of fuel or hazardous substances to respond to a spill of up to five (5) gallons. Trained personnel shall attend transfer operations at all times. Equipment refueling shall not occur within 100 feet of open bodies of water.

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- c. Storing containers within 100 feet of bodies of water. Containers with a total capacity larger than 55 gallons that contain fuel or hazardous substances shall not be stored within 100 feet of a body of water.
- d. Exceptions. The Planning Director may, under unique or special circumstances, grant exceptions to this stipulation on a case-by-case basis. Requests for exceptions should be made to the Planning Director.
- e. Definitions.

"Containers" means any item that is used to hold fuel or hazardous substances. This includes tanks, drums, double-walled tanks, portable testing facilities, fuel tanks on small equipment such as light plants and generators, flow test holding tanks, slop oil tanks, bladders and bags. Manifolder tanks or any tanks in a series must be considered as single, independent containers. Vehicles, including mobile seismic tanks, are not intended to be included under this definition.

"Hazardous substances" are defined under A.S. 46.03.826(5) as: (a) an element or compound which, when it enters the atmosphere, water, or land, presents an imminent and substantial danger to the public health or welfare, including fish, animals, or vegetation; (b) oil; or (c) a substance defined as a hazardous substance under 42 U.S.C. 9601(14)

"Secondary containment" means an impermeable, diked area or portable, impermeable, containment structure capable of containing 110 percent of the volume of the largest independent container. Double-walled tanks do not qualify as secondary containment unless an exception is granted for a particular tank.

"Surface liner" means any safe, non-permeable container (e.g., drip pans, fold-a-tanks, etc.) designed to catch and hold fluids for the purpose of preventing spills. Surface liners should be of adequate size and volume based on worst-case spill risk.

- 24. The Permittee shall immediately notify the City, by phone, of any unauthorized discharge of oil or fuel to water, any discharge of hazardous substances (other than oil or fuel), and any discharge of oil or fuel greater than fifty-five (55) gallons on land. All fires and explosions must also be reported.

The DEC Spill Report Number is 1-800-478-9300. The City 24-hour number is 442-3351/3352. The ADF&G number in Kotzebue is 442-3420 and the ADF&G fax number in Kotzebue is 442-3420. DEC and ADF&G shall be supplied with all follow-up incident

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reports. See, ADEC/SPAR "Report Oil and Hazardous Substance Spills," attached hereto as Exhibit "D."

Copies of all such written spill reports shall be provided to the Planning Director at the e-mail addresses and fax number listed above in paragraph 13.

25. This Permit contains the entire agreement between the Parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Permit shall have no force or effect except in a subsequent written modification, signed by the Party to be charged.
26. This Permit shall bind and inure to the benefit of the respective successors and assigns of the Parties hereto.
27. This Permit shall be interpreted according to the laws of the State of Alaska. Any litigation involving this Permit shall be exclusively in Superior Court, Second Judicial District, at Kotzebue.
28. All Parties to this Permit have participated in the drafting of this Permit. Hence this Permit shall not be construed in favor of one Party against another Party.
29. This Permit shall expire **August 31, 2026**, unless extended by mutual, written agreement of the Parties.

DATED this ____ day of _____, _____ at Kotzebue, Alaska.

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ARCTIC CIRCLE WILD SEAFOOD

Ron Johnson
City Manager

By: _____
Position: _____