

## **CONDITIONAL LETTER OF INTENT**

December 8, 2025

City Manager Jackie Wilde  
City of Whittier, Alaska  
660 Whittier Street, Whittier, Alaska 99693-0608

Re: Conditional Letter of Intent to engage in a purchase/sale transaction involving three non-contiguous parcels of land within the City of Whittier and currently owned by the Alaska Railroad Corporation (referred to herein as "ARRC" or "Seller") comprising a total area of approximately forty-seven (47) acres.

Dear Ms. Wilde:

Please accept this letter as the ARRC's expression of its conditional intention to enter into a contract with the City of Whittier (referred to herein as "City" or "Buyer") for the purchase and sale of land designated and generally shown in the attached map exhibit titled ARRC Area of Interests Discussion Map ("Map") dated August 28, 2025, and generally described as follows:

**ARRC AOI 1 – Containing approximately 0.8 acres**

A portion of Parcel B of U.S. Survey No. 2559 according to the plat of survey officially filed December 14, 1994, together with a portion of Lot 8 of U.S Survey 9008 located within Section 23 of Township 8 North, Range 4 East, Seward Meridian.  
The parcel is designated "The Sportsman's" on the Map.

**ARRC AOI 2 – Containing approximately 36.0 acres**

A portion of Lot 8 of U.S. Survey No. 9008 according to the plat of survey officially filed October 12, 1995 together with a portion of Parcel A of U.S. Survey No. 2559 according to the plat of survey officially filed December 14, 1994; located within Section 23 of Township 8 North, Range 4 East, Seward Meridian.  
The parcel is designated "Harbor Parking Area/Whittier Creek Well Site" on the Map.

**ARRC AOI 3 – Containing Approximately 10.2 acres.**

Parcels I, J, and H together with Lot 11 and a portion of Lot 8 of U.S. Survey No. 9008 according to the plat of survey officially filed October 12, 1995; located within Sections 13, 14, 23 & 24 of Township 8 North, Range 4 East, Seward Meridian.  
The parcel is designated "Harbor Uplands" on the Map.

The three parcels described above are referred to collectively herein as “the Property.” Where discussed individually herein, the three parcels described above are referred to individually herein as “Parcel AOI 1”, “Parcel AOI 2” and “Parcel AOI 3” in the order presented above.

The terms of the above-referenced land purchase and sale transaction shall be in accordance with the written counterproposal from Seller to Buyer dated September 23, 2025 (“ARRC Counterproposal”), as accepted and authorized by the Whittier City Council’s passage of Resolution No. 2025-043 (“Resolution”) at its meeting of December 18, 2025. The ARRC Counterproposal and the Resolution are appended to this Conditional Letter of Intent as Exhibits 1 and 2, respectively.

The components of the agreed transaction, as set forth in the ARRC Counterproposal and accepted and agreed to in the Resolution, include (i) purchase and sale of the Property must be completed by January 31, 2027 unless mutually extended; (ii) the final sale price will be determined as set forth in the ARRC Counterproposal; (iii) payment of the sale price shall be in cash due in full at closing; (iv) the City shall be responsible for all survey and closing costs; and (v) the Ground Lease and Management Agreement dated November 13, 1998 (the “Master Lease”) shall be terminated as of the date of the purchase/sale transaction. Prior to closing, the Parties will collaborate to develop and mutually agree on new land contracts for those portions of the Master Lease premises that were adequately developed by the City under the development requirements of the Master Lease, including the RV Park/Campground at the Head of the Bay.

During the pendency of this Conditional Letter of Intent, ARRC will prepare a Purchase and Sale Agreement (“PSA”), which shall include as exhibits draft transaction documents including but not limited to (i) a Quit Claim Deed from ARRC to the City conveying ARRC’s full interest in the Property; (ii) a lease termination agreement terminating the Master Lease; (iii) permit document(s) necessary for the City to continue occupying any portion(s) of ARRC’s property that the City has developed in accordance with the terms of the Master Lease; (iv) a Quit Claim Deed from the City to ARRC conveying the City’s full interest, if any, in those portions of the land subject to the Master Lease that are neither included in the Property nor the subject of any ongoing permits to be issued to the City; and (v) any other documents reasonably necessary to consummate the purchase and sale transaction set forth in the PSA.

Except as specifically stated otherwise herein, this Conditional Letter of Intent is not intended to impose a legally binding obligation on either of the Parties. Notwithstanding the preceding sentence, during the period of one hundred twenty (120) days following signature to this Conditional Letter of Intent, the Parties shall be obligated to negotiate in good faith to finalize a written PSA for the Property and, as necessary and appropriate, to take steps to obtain the authority to consummate the purchase/sale transaction contemplated herein. Neither Party will become legally bound to consummate the purchase and sale transaction contemplated herein until each of the following conditions have been fulfilled:

1. Optional Due Diligence: Given that Buyer has had possession and use of the Property under the Master Lease, it is unclear whether any due diligence activities will be necessary for Buyer to determine the condition of the Property and its suitability for purchase. Notwithstanding the foregoing, Buyer shall have the right to conduct due diligence activities at its sole expense subject to the following terms and conditions. All due diligence findings must be acceptable to Buyer. If any findings are not acceptable to Buyer, then its obligations under this letter of conditional intent shall terminate unless either (i) Buyer waives its objection; or (ii) the parties mutually agree in writing to terms under which the unacceptable condition can be cured or the purchase price can be discounted to reflect said condition. All on-site inspections of the Property, including physical property inspections, environmental analysis, surveys and other site inspections as deemed necessary by Buyer in its discretion will be performed with reasonable advance notice to Seller. Seller's cooperation in timely providing Buyer or its designated representative with copies of all historic records related to the Property, including but not limited to drawings, occupancy certificates, tax records, and other items requested from Seller by Buyer, will be necessary for the satisfactory and timely completion of Buyer's due diligence. All due diligence costs contracted for by Buyer will be the sole financial responsibility of Buyer. Any costs incurred by the Seller will be the sole responsibility of the Seller unless previously approved in writing by Buyer. Upon return of this letter containing the authorized signature of Buyer acknowledging Buyer's agreement to the terms contained herein, Buyer will have the right, but not be required to, commence due diligence activities. The due diligence period shall be compatible with the 120-day term of this conditional letter of intent.

2. Preliminary Title Commitment. Any acquisition of the Property by Buyer will be conditioned upon its obtaining, reviewing and accepting a Preliminary Title Commitment ("PTC") to be obtained by Buyer. In the event Buyer objects to any condition disclosed in the PTC, Seller shall have thirty (30) days to either cure or remove said objectionable condition or give Buyer reasonable assurances that the condition will be cured or removed before or at Closing. In the event Seller is unable to cure or remove the condition underlying Buyers objections, Buyer's obligations under this conditional letter of intent shall terminate unless either (i) Buyer waives its objection; or (ii) the parties mutually agree in writing to terms under which the objectionable condition can be cured or removed or the purchase price can be discounted to reflect said condition.

3. Title. At Closing, Seller shall convey good and marketable title to the Property to Buyer free and clear of all liens, encumbrances, defects and burdens, except those reservations, restrictions, covenants and easements as agreed. Conveyance of the Property shall be by a Quit Claim Deed prepared by ARRC. Buyer shall obtain a standard form policy of title insurance insuring its title in the full amount of the purchase price, and the premium for said policy shall be paid by the Buyer at Closing. Conveyance of the property shall be by a warranty deed prepared by ARRC.

4. Survey and Title Work: Where a land survey is necessary in order to subdivide one parcel into multiple parcels before conveyance or otherwise to confirm legal boundaries and descriptions, the parties shall jointly develop a set of Survey Instructions ("SI's"). To begin the process, the City of Whittier shall request a set of SI's from ARRC. ARRC shall provide draft SI's within one month of the request for both parties to review, edit and finally agree upon. The SI's shall be based on (i) a full and accurate legal description of the Property or, if a full description is not available, a description based on the limitations of the descriptions and the reason for the limited description; (ii) identification of all or any known lease(s), permit(s) or any known property or contractual interest of any kind currently in effect within or impacting on the Property and provision of copies of such leases, permits or other agreements to the other party with respect to the Property; and (iii) establishment during the final process that the Property is free of encumbrances, liens or other legal impediments to the transfer or that any encumbrances, liens or other legal impediments are known and identified by ARRC or the separate deed or other instrument containing such encumbrance, lien or other legal impediment. The SI's should generally conform to the City of Whittier Title 16.04 – Subdivisions. ARRC shall have the standard rights of a landowner in the City of Whittier to participate in any subdivision of land to be transferred under this Conditional CLOI. The City shall retain a registered land surveyor to perform the work as defined in the SI's. The costs associated with survey and title work under this section shall be borne by the City unless otherwise agreed upon in writing by both parties.

5. Purchase and Sale Agreement. ARRC will not become legally bound to sell the Property and the City will not become legally bound to purchase the Property until (i) the Parties have executed a formal written PSA which incorporates the terms and conditions stated herein; (ii) the Parties have each obtained all necessary approvals for them to legally enter into the purchase and sale transaction, including, if necessary, approval of the ARRC Board of Directors and the Whittier City Council; and (iii) all the terms and conditions of the PSA have been fulfilled. As noted above, the PSA will be prepared by ARRC and provided to Seller upon the return of this signed Letter of Intent and shall be expressly conditioned upon obtaining the required approvals.

6. Closing. The Property sale closing ("Closing") will be held at a location determined by ARRC with all closing fees paid by Buyer. All costs associated with operation of the Property will be prorated as of the date of Closing based on a 360-day calendar year and 30-day month. Date of the Closing will be as mutually agreed by the parties but will not be later than January 31, 2027.

7. Price. ARRC is agreeable to sale of the Property to the City for Four Million Eight Hundred Ninety-Three Thousand Three Hundred Twenty-One and no/100 Dollars (\$4,893,321.00). The purchase price was determined by the Black-Smith, Bethard & Carlson appraisal dated November 8, 2024. The parties agree that the price will be adjusted to reflect final cumulative survey area square footage of the Property. In making said adjustments, the total value of each parcel will be calculated by

multiplying the final surveyed area of that parcel by the per square foot value used to determine the value of that same parcel in the 2024 appraisal.

8. Liability. In the event the sale transaction is not finalized for any reason, neither Party shall have any liability to the other Party or any of the other Party's agents, suppliers, and contractors for any loss or expense regarding the proposed transaction.

9. Exclusive Right to Purchase. In consideration of Buyer's commitment to pursue the purchase of the Property through negotiation and due diligence, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by signature hereto, the Seller grants Buyer, subject to the terms and conditions set forth herein, the exclusive right to purchase the Property for a period of one hundred twenty (120) days from the date Seller executes the below stated Acceptance agreeing to the terms of this conditional letter of intent.

10. Lease Termination and Permit to Seller. In conjunction with the purchase of the Property contemplated herein, and as set forth in the ARRC Counterproposal and accepted by the City in the Ordinance, the parties shall terminate the Master Lease upon the closing of the purchase sale transaction set forth herein. Buyer and Seller shall enter into a Special Land Use Permit for the RV Park Campground located at the Head of the Bay. Said permit shall be on standard terms used in similar ARRC permits.

11. Broker Commission. ARRC represents that it has not been represented by any third-party real estate agent or broker other than employees of ARRC and that no commission or brokerage fee is due to ARRC or any agent, broker or other person associated with ARRC regarding this proposed transaction. Seller shall be responsible for the payment of any commission or fee to any real estate agent, broker or other person who is entitled to a commission or fee arising out of this transaction.

If the above terms are acceptable, please return this Conditional Letter of Intent, executed below with an authorized signature of Seller, at the earliest possible date to initiate the ARRC activity necessary to proceed toward the proposed transaction described above. Please contact me if I can be of any assistance.

Sincerely,



Christy Terry  
Vice President, Real Estate

ARRC'S OFFER TO ENTER INTO THIS CONDITIONAL LETTER OF INTENT FOR THE PURCHASE AND SALE OF THE PROPERTY AS DESCRIBED HEREIN IS VALID THROUGH JANUARY 2, 2026. LACK OF A RESPONSE ON OR BEFORE THAT DATE SHALL RENDER THIS LETTER OF INTENT NULL AND VOID.

ACCEPTANCE

BUYER HAS REVIEWED THE ABOVE LETTER OF INTENT AND DOES HEREBY ACCEPT THE TERMS AS OUTLINED. THIS ACCEPTANCE SHALL NOT CONSTITUTE A CONTRACT TO PURCHASE, BUT MERELY AN AGREEMENT TO NEGOTIATE IN GOOD FAITH TO FINALIZE A PURCHASE AND SALE AGREEMENT AND PROVIDE THE BUYER THE EXCLUSIVE RIGHT TO PURCHASE THE PROPERTY DESCRIBED HEREIN FOR A PERIOD NOT TO EXCEED ONE HUNDRED TWENTY (120) DAYS FROM THE DATE THIS ACCEPTANCE IS EXECUTED IN ORDER. TO ALLOW THE PARTIES TO OBTAIN, IF AND AS NECESSARY, ANY REQUISITE AUTHORIZATIONS FROM THE ARRC BOARD OF DIRECTORS, THE WHITTIER CITY COUNCIL AND THE ALASKA LEGISLATURE.

CITY OF WHITTIER

Signed: \_\_\_\_\_






By: Jackie C. Wilde

Its: City Manager

Dated this \_\_\_\_ day of \_\_\_\_\_, 202\_\_

**Legend**



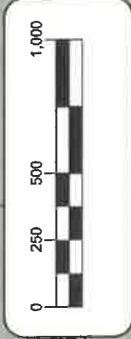
-  Alaska Railroad Corp. to City of Whittier (Proposed)
-  Existing City of Whittier Lease Parcel
-  ARRC Reserve/Lands Boundary
-  Other Boundary
-  Existing Railroad Track

ARRC AOI 3  
Harbor Uplands  
10.2 ac

ARRC AOI 1  
The Sportsman's  
0.8 ac

DOT Road Permit

ARRC AOI 2  
Harbor Parking Area/Whittier Creek/Well Site  
36.0 ac



ALASKA RAILROAD CORPORATION  
REAL ESTATE DEPARTMENT, LAND SERVICES  
124 5th Avenue, Anchorage, Alaska 99501-3303

### ARRC Area of Interests Discussion Map

Southern Lease area and AOI acreage labels added - DCA 8/18/2025  
DOT Road Permit and AOI area labels added - DCA 8/28/2025

DRAWN BY:	DCA	DATE:	2025-08-28
CHECKED BY:	BSR		
APPROVED BY:	BSR		

AlaskaRailroad.com