Presented by: Manager
Introduced: 7/28/2025
Drafted by: Law Department

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2025-37

An Ordinance Authorizing the Port Director to Negotiate and Execute a Lease Renewal with Goldbelt Aerial Tramway, LLC, ("Goldbelt") of Approximately 10,000 Square Feet Within Lots 1 and 2A, Dockside Subdivision and Lots 13B, 16, and 17, Block 83, Tidelands and Approximately 21,815 Square Feet in Air Rights.

WHEREAS, in January 1995, the City and Borough of Juneau and the Mount Roberts Development Corporation entered a 35-year lease agreement for approximately 10,000 square feet within lots 1 and 2A, Dockside Subdivision and Lots 13B, 16, and 17, Block 83 Tidelands and approximately 21,815 square feet in air rights; and

WHEREAS, on July 18, 1995, the lease was assigned from Mount Roberts Development Corporation to Mount Roberts Tramway Limited Partnership, with Goldbelt, Inc. as a limited partner; and

WHEREAS, on February 26, 2015, the lease was amended by Ordinance 2015-06 to modify the base rent, include an appraisal dispute process, and acknowledge the assignment to Goldbelt; and

WHEREAS, Goldbelt approached the Port Director requesting to activate their lease renewal option five years prior to the termination of the lease term; and

WHEREAS, on May 19, 2025, Horan & Company appraised the lease property at $3,022,300 which based on the contract rent rate of 9% resulted in a base rent of $272,007; and

WHEREAS, the Docks and Harbors Board reviewed this lease proposal at its meeting on May 29, 2025, and at its Operations Board meeting on June 11, 2025; and

WHEREAS, the Docks and Harbors Board approved the lease renewal with an annual lease payment of $272,007 for the first five years, with an annual CPI adjustment and an adjustment every five years thereafter pursuant to CBJC 53.20.190(2); and

WHEREAS, this new lease and ordinance will supersede any prior leases and ordinance.

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. Renewal of Lease. The Port Director is authorized to negotiate and execute the lease renewal attached as Exhibit B.

Section 3. Authorization. The Port Director is authorized to negotiate other terms and conditions as may be in the public interest.

Section 4. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this 18 day of August, 2025.

Beth A. Weldon, Mayor

Attest:

Breckan L. Hendricks, Municipal Clerk

Recorder return to: City and Borough of Juneau
Attn: Carl Uchytil
155 Heritage Way
Juneau, AK 99801

GOLDBELT TRAM LEASE AGREEMENT
FOR APPROXIMATELY 10,000 SQUARE FEET WITHIN LOTS 1 AND 2A, DOCKSIDE SUBDIVISION AND LOTS 13B, 16, 17, BLOCK 83, TIDELANDS AND AIR RIGHTS OF APPROXIMATELY 21,815 SQUARE FEET.

PART I. PARTIES. This lease is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska, hereafter "CBJ" or "Lessor," and Goldbelt Aerial Tramway, LLC, hereafter "Lessee."

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

CBJ:
Attn: Carl Uchytil, Port Director
Docks and Harbors Department
City and Borough of Juneau
155 Heritage Way
Juneau, AK 99801
Phone: (907) 586-0292
Email: Carl.Uchytil@juneau.gov

Lessee:
Attn: Steven Sahlender
Goldbelt Aerial Tramway, LLC
3025 Clinton Drive
Juneau, AK 99801
Phone: (907) 790-4990
Email: steven.sahlender@goldbelt.com

PART III. LEASE DESCRIPTION. This lease agreement is identified as the **Goldbelt Tram Site Lease (the "Lease")**. The following appendices are attached and are considered part of this Lease as well as anything incorporated by reference or attached to those appendices.

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

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

PART IV. LEASE EXECUTION. The CBJ and Lessee agree and sign below. This Lease is not effective until signed by the CBJ.

CBJ:

Date:_____

By: _____
Carl Uchytil, Port Director
CBJ Docks and Harbors

Lessee:

Date: _____

By: _____
McHugh Pierre, President & CEO
Goldbelt Aerial Tramway LLC

CITY ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICAL DISTRICT)

This is to certify that on the ____ day of _____, 2025, 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.

_____
Notary Public in and for the State of Alaska
My Commission Expires: _____

LESSEE ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICAL DISTRICT)

This is to certify that on the ____ day of _____, 2025, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared McHugh Pierre to me known to be the identical individuals described in and who executed the foregoing instrument for and on behalf of Goldbelt Aerial Tramway, LLC, as Lessee, which executed the above and foregoing instrument; who on oath stated that they were duly authorized to execute said instrument; who acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

_____
Notary Public in and for the State of Alaska
My Commission Expires: _____

Risk Management Review: _____, Risk Manager

Approved as to Form: _____, Law Department

APPENDIX A:
PROPERTY DESCRIPTION & ADDITIONAL LEASE PROVISIONS

1. DESCRIPTION OF PROPERTY

Subject to the terms and conditions of this Lease, the CBJ hereby leases to Goldbelt Aerial Tramway, LLC certain real property including the **lower tram terminal site, of approximately 10,000 square feet within Lots 1 and 2A, Dockside Subdivision and lots 13B, 16, 17, Block 83, Tidelands, and an air rights easement over other described lands ascending the lower slopes of Mount Roberts across South Franklin Street of 21, 815 square feet,** depicted in Exhibit A (attached and incorporated herein by reference), and further described as follows:

Legal Description Lease Area:

Lot 13B, Block 83, TIDELANDS ADDITION TO JUNEAU, according to Plat 355, Records of the Juneau Recording District, First Judicial District, State of Alaska, excepting therefrom that portion conveyed to the State of Alaska in Corporate Warranty Deed recorded April 18, 1997 In Book 469 Page 777; AND

That portion of Lot 16, Block 83, TIDELANDS ADDITION TO JUNEAU, according to Plat 340, lying Northwesterly of Dockside Subdivision, Records of the Juneau Recording District, First Judicial District, State of Alaska; AND

That portion of Lot 17, Block 83, TIDELANDS ADDITION TO JUNEAU, according to Plat 340, lying Northwesterly of Dockside Subdivision, Records of the Juneau Recording District, First Judicial District, State of Alaska; AND

Lot 1, DOCKSIDE SUBDIVISION, according to Plat 89-9, Records of the Juneau Recording District, First Judicial District, State of Alaska, excepting therefrom that portion conveyed to the State of Alaska in Corporate Warranty Deed recorded April 18, 1997 In Book 469 Page 777; AND

Lot 2A, DOCKSIDE SUBDIVISION, according to Plat 91-71, Records of the Juneau Recording District, First Judicial District, State of Alaska, excepting therefrom that portion conveyed to the State of Alaska in Corporate Warranty Deed recorded April 18, 1997 In Book 469 Page 777; AND

Commencing at Corner No. 1 "IT" Lode, Mineral Survey No. 1027 A; thence along the Southeasterly boundary of said "IT" Lode S 47°54'00"W 336.38 feet to the Easterly most corner of this description, the true point of beginning; thence continuing along the aforementioned Southeasterly boundary of the "IT" Lode S47°54'00"W 79.94 feet to the Southerly most corner of this description; thence departing the Southeasterly boundary crossing through the "IT" Lode the following courses; N50°35'39"W 73.46 feet; S87°39'15"W 233.44 feet to the Southwesterly most corner of this description; thence continuing N2°18'27"W 100.00 feet to the Westerly most corner of this description; thence continuing N 87°39'15"E 101.68 feet; N47°39'20"E 16. 73 feet; N42°20'40"W 93.18 feet; N47°39'20" E 105.00 feet to the Northerly most corner of this description; thence continuing S42°20'40"E 222.71 feet;N47°39'20"E 5.37 feet; S42°20'40"E 104.78 feet to the true point and place of beginning. Records of the Juneau Recording District, First Judicial District, State of Alaska; AND

Aerial Tram Route Centerline ("E" Alignment)

A certain tract of land lying and being situate within Mineral Survey No. 1027 A, known as the "IT" Lode, said parcel lying and being situate within protracted Sections 24, T41S, R67E, CRM, Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning at U.S.L.M. No. 1 cor. monument; thence N3°49'55"E 7.566.04 feet to Cor. No. 1, "IT" Lode; Mineral Survey No. 1027 A, the true point of beginning; thence N41°57'00"W 598.1 0 feet to Cor. No. 4, "IT" Lode; thence S47°54'00"W 1,500.00 feet to Cor. No. 3, "IT" Lode; thence S41 °57'00"E 598.1 0 feet to Cor. No. 2, "IT" Lode; thence N47°54'00"E 1,500.00 to Corner No. 1, "IT" Lode, the true place of beginning.

Aerial Rights, Tram Centerline within the "IT" Lode:

From which and air rights easement to a strip of land 100 feet in width, lying and being situate within MS 1027A, "IT" Lode, said strip of land being 50 feet wide on each side of parallel with and adjacent to the following described centerline of a proposed aerial tramway, being more particularly described as follows:

Beginning at Cor. No. 4, "IT" Lode, Mineral Survey 1027A; thence S47°54'00"W 966.07 feet along the line 4-3, "IT" Lode to a point intersecting the centerline of a proposed aerial tramway, said point also being the true centerline point and place of beginning for the 100 foot wide strip of land; thence along said tram centerline N87°47'30"E 556.91 feet to the tram centerline terminus and point of beginning for the upper tram terminal building.

In addition, the aerial tram platform walkway begins N2°10'15"E 50.00 feet from the aerial tram's centerline terminus; thence by metes and bounds; S87°47'30"W 32.00 feet; thence N2°10'15"E 39.18 feet; thence N87°49'45"E 4.44 feet to the tram terminal lease line; thence along the tram terminal lease line S49°41 '30"E 161.08 feet; thence S69°21 '15"W 96.41 feet to the SE Cor. terminus of the trams aerial rights easement; thence N2°10'15"E 50.00 feet to the tram terminus centerline position. Records of the Juneau Recording District, First Judicial District, State of Alaska; AND

Air Rights Easements for an Aerial Tram Route Centerline

A certain tract or parcel of land lying and being situated within fractions of the "B", "F", "H" and "P" Millsites, Mineral Survey No. 982B, said parcel lying and bearing situate within protracted Sections 23 & 24, T41S, R67E, CRM, Records of the Juneau Recording District, First Judicial District, State of Alaska, described as follows:

Beginning at Car. 1, "8" Millsite, M.S. No. 9828, from which U.S.L.M. No. 1 bears S11°23'15"E 7,340.69 feet; thence N51°56'30"W 143.08 feet along the line 1-4, "B" Millsite to a point intersecting the centerline of a proposed aerial tramway, said point also being the true centerline point and place of beginning for a 100 foot wide strip of land, 50 feet each side of parallel and adjacent to the following described tram centerline to wit; S87°47'30"W 806.08 feet through fractions of "B", "F", "G" and "P" Millsites to a point intersecting Line 8-9, U.S. Survey No. 7a (Amended).

2. AUTHORITY

This Lease is entered into pursuant to the authority of City Code CBJC 85.02.060(a)(5) and CBJ Chapter 53.20; and CBJ Ordinance No. 2025-37 introduced to the Assembly on July 28, 2025. Should the Assembly fail to pass Ordinance No. 2025-37 or Ordinance No. 2025-37 fails to take effect, this lease is void.

3. TERM

The effective date of this lease shall be the date this lease is signed by the City. This lease revokes all prior leases between the parties. The term of the lease is 35 years, commencing on the effective date of the lease, unless terminated earlier by mutual written agreement or by either party pursuant to the terms of

this Lease.

4. LEASE PAYMENTS AND ADJUSTMENTS

(a) Base rent shall be set at nine percent (9%) of the appraised value of the Leased Premises, including air rights, without consideration of lease restrictions.

(b) Base rent for City fiscal years 2026 through 2030 (the period from July 1, 2025 through June 30, 2030) is $272,007 per year beginning on the effective date. The base rent will be adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor and Workforce Development each fiscal year beginning July 1, 2026.

(c) Beginning with the first year after the initial five-year period of the term, the Port Director will re-evaluate and adjust the annual lease payment for the Leased Premises for the next five-year period of this lease, and then every five years thereafter, pursuant to Appendix B, Section 3(2) of this lease, CBJ 53.20.190(2), CBJ 85.02.060(a)(5), and the Docks and Harbors lease administration regulations, 05 CBJAC Chapter 50. The new annual lease payment amount shall be paid retroactively to the beginning of that lease payment adjustment period.

(d) Lessee shall pay all appraisal costs associated with re-evaluating and adjusting the annual lease payment.

(e) The basis of the appraisal shall be the fair market value of the unimproved land of the Leased Premises, including the Air Rights Easements at its highest and best use. The appraisal shall not consider any buildings or structural improvements above or below ground, landscaping, or paving. The appraisal shall consider the Leased Premises as unimproved land without consideration of any lease restriction.

(f) The Port Director will have a certified appraiser provide an appraisal 90 days before the date of the five-year adjustment period for setting the rent.

5. AUTHORIZED USE OF LEASED PREMISES

The Leased Premises are to be used solely for the operation, maintenance, and repair of an aerial tramway base terminal and associated structures and uses in a manner that does not cause interference to the CBJ or third party users in the vicinity of the Leased Premises, and as provided in this Lease. As used herein, "associated structures and uses" means:

a. a waiting room;
b. a ticket office;
c. public restrooms; lessee shall provide public restrooms as specified by the planning commission;
d. an area for the exhibition of tram models, photographs, and similar historical and explanatory materials;
e. administrative space; and
f. retail space, with this use being at Goldbelt's discretion.

The Leased Premises shall be used only for purposes within the scope of the application and the terms of the Lease, and in conformity with the provisions of the City and Borough Code, and applicable state and federal laws and regulations. Use or development for other than the allowed uses shall constitute a violation of the Lease and subject the Lease to cancellation at any time.

1) Tramway Specifications. All uphill equipment and systems shall be properly certified as being in accordance with the American National Standards Institute's Safety Requirements for Aerial and Surface Passenger Tramways and Surface Tows (B77.1) A complete set of drawings, specifications, and records for each lift shall be maintained by the Lessee and made available to

Lessor upon request. These documents shall be retained by Lessee for a period of three years after removal of the system from the Leased Premises.

2) Plan Preparation and Certification. All plans for development, layout, construction, reconstruction or alteration of improvements on the site, as well as revisions of such plans, must be prepared by a licensed engineer, architect, or other qualified individual acceptable to Lessor's authorized officer. Design and construction specifications of buildings must be prepared and certified by an architect licensed in the State of Alaska. Plans and specifications for tramway mechanical and cable systems must be prepared and certified by a mechanical engineer licensed in the State of Alaska. Such plans must be accepted by Lessor's authorized officer before the commencement of any work. Lessee may be required to furnish as-built plans, maps, or surveys upon the completion of construction.

3) Preconstruction and Construction Supervision. Preconstruction and construction activities must be personally supervised by a qualified representative of Lessee, approved by Lessor's authorized officer. In the event that the Lessee's designated representative is unavailable, Lessee must either immediately designate a similarly qualified individual (and immediately seek approval by Lessor's authorized officer for the change) or all work must stop. In addition, Lessee must provide for all major construction activities to be supervised by a qualified engineer or architect licensed in the State of Alaska who is experienced in commercial construction. Construction of aerial passenger tramways must be supervised by an engineer qualified and experienced in this type of construction. Construction activities within the Lease site shall be minimized throughout the period of May through September to prevent disruption of tourist use of the cruise ship terminal. A detailed construction mobilization and staging plan shall be submitted to Lessor for approval.

4) Operations.
    a) Lessee shall maintain its facilities, improvements and operations on the Leasehold Lands to standards of repair, orderliness, neatness, sanitation, and safety generally applicable to general industry standards.
    b) A qualified representative(s) of Lessee, approved in advance by Lessor's authorized officer, shall conduct and manage all operations, services and facilities authorized by the Lease.
    c) The designated, approved representative(s) of Lessee shall be present at the resort, on or adjacent to the Leased Lands, at all times when the facilities authorized by the Lease are open to the public.
    d) The tramway shall be operated and maintained in accordance with the American National Standards Institute's Safety Requirements for Aerial and Surface Passenger Tramways and Surface Tows (B77.1)

5) Lift Inspections. Lessee shall have all passenger tramways inspected by a qualified mechanical engineer or tramway specialist registered in the State of Alaska. Inspections shall be made in accordance with the American National Standards Institute's Safety Requirements for Aerial and Surface Passenger Tramways and Surface Tows (B77.1) A certificate of inspection, signed by an officer of Lessee, attesting to the adequacy and safety of the installations and equipment for public use, shall be received by Lessor prior to public operation. Lessee shall make the certificate available to Lessor upon request and shall post the certificate in a conspicuous location available to the general public.

6) Damage to or Destruction of Improvements. In the event that any buildings, facilities, or improvements constructed or managed by Lessee located on the Leasehold Lands are declared

unsafe or unfit for use or occupancy, Lessee shall immediately commence and diligently pursue to completion the necessary repair, replacement, or reconstruction.

7) Operating Plan. Lessee or its designated representative shall prepare and annually revise by September 30 of each year an Operating Plan. The Operating Plan ·shall be prepared in consultation with the Lessor's authorized officer and cover winter and summer operations as appropriate. The provisions of the Operating Plan and the annual revisions submitted by Lessee shall become a part of the Lease. The Operating Plan shall consist of at least the following sections:
   a) First aid.
   b) Communications.
   c) Signs.
   d) General safety and sanitation.
   e) Erosion control.
   f) Accident reporting.
   g) Search and rescue.
   h) Designation of representatives.
   i) Lift system operation.
   j) Public access.
   k) An updated organization chart with names and qualifications of managers,
   l) Employee safety plan.

8) Refuse Disposal. Lessee shall dispose of solid waste resulting from activities on the Leasehold Lands , including materials, garbage, rubbish of all lands, by hauling the waste to an approved transfer site or sanitary landfill disposal area.

9) Temporary Suspension. Lessor reserves the right pursuant to law to suspend Lessee's operations, in whole or in part, in response to an immediate and direct threat to public health on municipal lands. Any such suspension shall occur only after consultation with Lessee and, if within the reasonable control of Lessee, after Lessee has been given an opportunity to resolve the threat in a timely manner and thereby prevent suspension of operations.

10) Lessee assumes the full responsibility, cost and expense for all cleaning, repair and maintenance of the Leased Premises and leasehold improvements in a good and workmanlike manner, whether such repair or maintenance is ordinary or extraordinary, structural or otherwise, unless specifically provided otherwise in this Lease.

6. NO EXPRESS OR IMPLIED WARRANTY

The CBJ does not warrant, or make any representations whatsoever concerning, the adequacy, suitability or fitness for a particular purpose of the Leased Premises for Lessee's purposes, which determinations and risks are solely the responsibility of Lessee, as are all risks arising from potential interference due to CBJ or third party users or operations in the vicinity of the lease area.

7. PROTECTION OF EXISTING PROPERTY RIGHTS

Lessee shall follow any existing land and property rights including easements. Lessee shall place no building or structure over any portion of the Leased Premises which shall prevent the use of such rights.

8. TERMINATION

This Lease may be terminated in the following manner:

(a) By written agreement of the parties.

(b) By Lessee, in the event Lessee's improvements are substantially destroyed, by giving the CBJ 90

days written notice. Should Lessee elect to restore the same or construct other authorized improvements, this Lease shall continue in full force and effect. In either event, the parties shall have no duty to each other for loss of operation. Rent will not be reduced.

(c) By Lessee, by giving the CBJ 90 days written notice of termination.

(d) By the CBJ, in the event of default by Lessee. The condition of default must be conveyed in writing to the Lessee, providing thirty (30) days grace period during which Lessee may cure said default. Should Lessee fail to cure such default by the end of the grace period, this Lease shall automatically terminate and Lessee shall quit and restore the Leased Premises as described below.

Upon the termination of this Lease, Lessee shall quit the Leased Premises, unless otherwise agreed by the parties in writing, remove all improvements, and restore the Leased Premises to its pre-Lease condition.

9. DEFAULT

Delay in declaration of, or non-declaration of, default shall not waive or estop the CBJ from any subsequent declaration of default under this Lease.

10. DESIGNATION OF THE LESSEE'S REPRESENTATIVE

The Lessee must designate in writing the name and title of the person who is authorized to act in all matters connected with this Lease and keep such information current with the CBJ.

11. INSURANCE

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

Lessee understands that CBJ carries no fire or other casualty insurance on the Leased Premises or improvements located thereon belonging to Lessee, and that it is Lessee's obligation to obtain adequate insurance for protection of Lessee's personal property located on the Leased Premises.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability:** Covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. **Workers' Compensation** insurance as required by the State of Alaska, with Statutory Limits, and Employer's Liability Insurance with limits of no less than **$1,000,000** per accident for bodily injury or disease.
3. **Property insurance** against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

If the Lessee maintains broader coverage and/or higher limits than the minimums shown above, the Entity requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Lessee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Entity.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status:** The Entity, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance.
2. **Primary Coverage:** For any claims related to this contract, the **Lessee's insurance coverage shall be primary and non-contributory** and at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Lessee's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Umbrella or Excess Policy
The Lessee may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions, indemnity, and defense requirements. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

Legal Liability Coverage
The property insurance is to be endorsed to include Legal Liability Coverage with a limit equal to the replacement cost of the leased property.

Notice of Cancellation
Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Entity.

Waiver of Subrogation
Lessee hereby grants to Entity a waiver of any right to subrogation which any insurer of said Lessee may acquire against the Entity by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Entity has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions
Self-insured retentions must be declared to and approved by the Entity. The Entity may require the Lessee to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Entity. Any and all deductibles and SIRs shall be the sole responsibility of Lessee who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. Entity may deduct from any amounts otherwise due Lessee to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. Entity reserves the right to obtain a copy of any policies and endorsements for verification.

Verification of Coverage

Lessee shall furnish the Entity with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements**. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the Entity before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Lessee's obligation to provide them. The Entity reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Special Risks or Circumstances
Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

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 Lease Premises and failure to so locate shall render Lessee's liable as provided by law.

2. APPROVAL OF OTHER AUTHORITIES.

As required by CBJ 53.20.180, the issuance by City 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 City 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 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 City 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 fifth year of the lease term beginning with the rental due after completion of each review period. Any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas; such evaluations shall also include all improvements, placed upon or made to the land, to which the City has right or title, excluding landfill placed upon the land by Lessee, except that the value of any improvements credited against rentals shall be included in the value.

Adjustment Dispute Resolution. Should the Lessee disagree with the lease rent adjustment proposed by the Port Director, the Lessee shall pay for an appraisal and have the appraisal undertaken in accordance with the requirements set out in 05 CBJAC 50.050. In the event the Docks and Harbors Board disagrees with an appraisal, and the Board cannot reach an agreement with the lessee on the lease rent adjustment, the Board shall pay for an additional appraisal and have the appraisal undertaken in accordance with the requirements set out in 05 CBJAC 50.050. The Board shall establish the lease rent adjustment based on this additional appraisal. In the event the Lessee disagrees with the lease rent adjustment, the lessee may appeal to the Assembly. The decision of the Assembly shall be final.

(3) **Subleasing.** Lessee may sublease Leased Premises, or any part thereof leased to Lessee hereunder; provided, that the proposed sub-lessee shall first apply to City 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. The Parties agree that any subleases in effect at the date of signing of this agreement may continue. The Lessee must provide a copy of any subleases in effect to the Lessor prior to the execution of this agreement.

(4) **Assignment.** Lessee may assign its rights and obligations under this lease; provided that the proposed assignment shall be approved by City prior to any assignment. 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.

(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 City.

(b) City may cancel the lease if it is used for any unlawful purpose.

(c) 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, or service of written notice by City without remedy by Lessee of the conditions warranting default, City 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 City with approval of the Assembly constitute grounds for default.

(7) **Notice or Demand.** Any notice or demand, which under the 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.

(9) **Entry and Reentry.** In the event that the lease should be terminated as 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, City 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 therefor. No reentry by City 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 by summary proceedings, or otherwise, City may offer the land for lease or other appropriate disposal pursuant to the provisions of City code.

(11) **Forfeiture of Rental.** In the event that the lease should be terminated because of any breach by Lessee, as herein provided, the annual rental payment last made by Lessee shall be forfeited and retained by City as partial or total damages for the breach.

(12) **Written Waiver.** The receipt of rent by City with knowledge of any 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 City to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by City unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same in the event of any subsequent breach or default. The receipt, by City, of any rent or any other sum of money after the termination, in any manner, of the term demised, or after the giving by City 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 City to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by City.

(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 City all of the leased land on the last day of the term of the lease.

(14) **Renewal Preference.** Any renewal preference granted Lessee is a privilege and is neither a right nor bargained for consideration. The lease renewal procedure and renewal preference shall be provided by ordinance in effect on the date the application for renewal is received by the designated official.

(15) **Removal or Reversion of Improvement upon Termination of Lease.** 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 City may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by Lessee may, with the consent of the City, be sold to the succeeding Lessee. All periods of time granted Lessee to remove improvements are subject to Lessee's paying the City pro rata lease rentals for the period.

(a) If any improvements and/or chattels not owned by City 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 City 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 acceptable to the Port Director are received, title to such improvements and/or chattels shall vest in City.

(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, City.

(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 City 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 and shall take all reasonable precautions to prevent and take all necessary action to suppress destruction or uncontrolled grass, brush or other fire on the leased lands. Lessee shall not undertake any activity that causes or increases the sloughing off or loss of surface materials of the leased land.

(19) **Inspection.** Lessee shall allow an authorized representative of the City to enter the lease land for inspection at any reasonable time.

(20) **Use of Material.** Lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoil, 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 City.

(21) **Rights-of-Way.** City expressly reserves the right to grant easements or rights-of-way across leased land if it is determined in the best interest of the City to do so. If the City grants an easement or right-of-way across the leased land, Lessee shall be entitled to damages for all Lessee-owned improvements or crops destroyed or damaged. Damages shall be limited to improvements and crops only, and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate Lessee for loss of use.

(22) **Warranty.** The City 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 City 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. Title to improvements or chattels credited against rent under this section shall vest immediately and be in the City and shall not be removed by Lessee upon termination of the lease.

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 10.5 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 City's title to the Leased Premises or enter into any lease, easement, or other obligation of City's title without the prior written consent of the City; and any such act or omission, without the prior written consent of City, shall be void against City 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.

(7) **State Discrimination Laws.** Lessee agrees, in using and operating the Leased 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 with any of the above non-discrimination covenants, City shall have the right to terminate the lease.

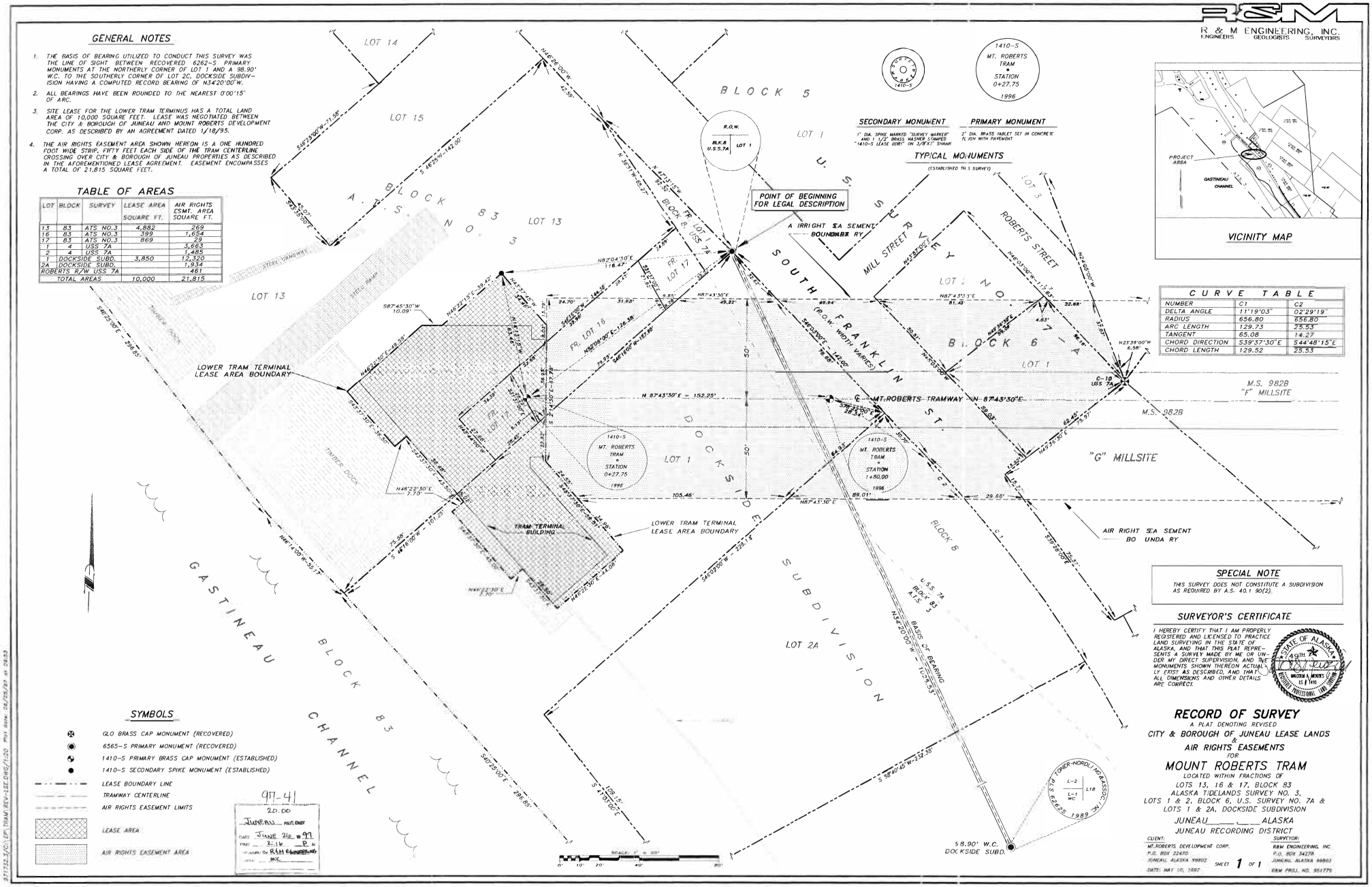
(8) **Unsafe Use.** Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.

(9) **Hold Harmless.** Lessee agrees to defend, indemnify, and save City, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of the use and occupancy of the Leased Premises 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 attorneys' fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon notice to the City of any action, claim, or lawsuit. City Hall notifies 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 City.

(10) **Successors.** This lease shall be binding on the successors, administrators, executors, heirs, and assigns of Lessee and City.

(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.

Exhibit A


GENERAL NOTES
1. THE BASIS OF BEARING UTILIZED TO CONDUCT THIS SURVEY WAS THE LINE OF SIGHT BETWEEN RECOVERED 6262-S PRIMARY MONUMENTS AT THE NORTHERLY CORNER OF LOT 1 AND A 98.90' W.C. TO THE SOUTHERLY CORNER OF LOT 2C, DOCKSIDE SUBDIVISION HAVING A COMPUTED RECORD BEARING OF N34°20'00"W.
2. ALL BEARINGS HAVE BEEN ROUNDED TO THE NEAREST 0°00'15" OF ARC.
3. SITE LEASE FOR THE LOWER TRAM TERMINUS HAS A TOTAL LAND AREA OF 10,000 SQUARE FEET. LEASE WAS NEGOTIATED BETWEEN THE CITY & BOROUGH OF JUNEAU AND MOUNT ROBERTS DEVELOPMENT CORP. AS DESCRIBED BY AN AGREEMENT DATED 1/18/95.
4. THE AIR RIGHTS EASEMENT AREA SHOWN HEREON IS A ONE HUNDRED FOOT WIDE STRIP, FIFTY FEET EACH SIDE OF THE TRAM CENTERLINE CROSSING OVER CITY & BOROUGH OF JUNEAU PROPERTIES AS DESCRIBED IN THE AFOREMENTIONED LEASE AGREEMENT. EASEMENT ENCOMPASSES A TOTAL OF 21,815 SQUARE FEET.
TABLE OF AREAS
LOT | BLOCK | SURVEY | LEASE AREA SQUARE FT. | AIR RIGHTS ESMT. AREA SQUARE FT.
13 | 83 | ATS NO.3 | 4,882 | 269
16 | 83 | ATS NO.3 | 399 | 1,654
17 | 83 | ATS NO.3 | 869 | 29
1 | 4 | USS 7A | | 3,663
2 | 4 | USS 7A | | 1,485
1 | DOCKSIDE SUBD. | | 3,850 | 12,320
2A | DOCKSIDE SUBD. | | | 1,934
ROBERTS R/W USS 7A | | | | 461
TOTAL AREAS | | | 10,000 | 21,815
SYMBOLS
GLO BRASS CAP MONUMENT (RECOVERED)
6565-S PRIMARY MONUMENT (RECOVERED)
1410-S PRIMARY BRASS CAP MONUMENT (ESTABLISHED)
1410-S SECONDARY SPIKE MONUMENT (ESTABLISHED)
LEASE BOUNDARY LINE
TRAMWAY CENTERLINE
AIR RIGHTS EASEMENT LIMITS
LEASE AREA
AIR RIGHTS EASEMENT AREA
SECONDARY MONUMENT
1" DIA. SPIKE MARKED "SURVEY MARKER" AND 1 1/2" BRASS WASHER STAMPED "1410-S LEASE CORN" ON 3/8" X 7" SHANK
PRIMARY MONUMENT
2" DIA. BRASS TABLET SET IN CONCRETE FLUSH WITH PAVEMENT
TYPICAL MONUMENTS
(ESTABLISHED TH'S SURVEY)
1410-S MT. ROBERTS TRAM STATION 0+27.75 1996
POINT OF BEGINNING FOR LEGAL DESCRIPTION
A IRRIGHT SEA SEMENT BOUNDARY
AIR RIGHT SEA SEMENT BO UNDA RY
LOWER TRAM TERMINAL LEASE AREA BOUNDARY
TRAM TERMINAL BUILDING
MT. ROBERTS TRAMWAY N 87°43'30"E
N 87°43'30"E - 152.25'
LOT 14
LOT 15
LOT 13
LOT 1
LOT 2
LOT 3
LOT 2A
BLOCK 5
BLOCK 6
BLOCK 83
A.T.S. NO. 3
U.S. SURVEY NO. 1
SOUTH FRANKLIN ST.
MILL STREET
ROBERTS STREET
DOCKSIDE SUBDIVISION
GASTINEAU CHANNEL
"G" MILLSITE
M.S. 982B "F" MILLSITE
M.S. 982B
TIMBER DOCK
STEEL GANGWAY
STEEL RAMP
FR. LOT 16
FR. LOT 17
U.S.S. 7A BLK. 83 A.T.S. 3
BASIS OF BEARING N34°20'00"W - 1025.53'
S 8.90' W.C. DOCKSIDE SUBD.
R.O.W. BLK.6 U.S.S.7A LOT 1
C-1D USS 7A
C-1 USS 7A
SCALE: 1" = 20'
CURVE TABLE
NUMBER | C1 | C2
DELTA ANGLE | 11°19'03" | 02°29'19"
RADIUS | 656.80 | 656.80
ARC LENGTH | 129.73 | 25.53
TANGENT | 65.08 | 14.27
CHORD DIRECTION | S39°37'30"E | S44°48'15"E
CHORD LENGTH | 129.52 | 25.53
VICINITY MAP
PROJECT AREA
GASTINEAU CHANNEL
SPECIAL NOTE
THIS SURVEY DOES NOT CONSTITUTE A SUBDIVISION AS REQUIRED BY A.S. 40.1 90(2).
SURVEYOR'S CERTIFICATE
I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA, AND THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION, AND THE MONUMENTS SHOWN THEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.
STATE OF ALASKA 49TH
LICENSED PROFESSIONAL LAND SURVEYOR
WILLIAM A. MENKES
RECORD OF SURVEY
A PLAT DENOTING REVISED
CITY & BOROUGH OF JUNEAU LEASE LANDS & AIR RIGHTS EASEMENTS
FOR
MOUNT ROBERTS TRAM
LOCATED WITHIN FRACTIONS OF
LOTS 13, 16 & 17, BLOCK 83
ALASKA TIDELANDS SURVEY NO. 3,
LOTS 1 & 2, BLOCK 6, U.S. SURVEY NO. 7A &
LOTS 1 & 2A, DOCKSIDE SUBDIVISION
JUNEAU ____, ____ ALASKA
JUNEAU RECORDING DISTRICT
CLIENT: MT. ROBERTS DEVELOPMENT CORP. P.O. BOX 22470 JUNEAU, ALASKA 99802
SURVEYOR: R&M ENGINEERING, INC. P.O. BOX 34278 JUNEAU, ALASKA 99803
DATE: MAY 10, 1997
SHEET 1 OF 1
R&M PROJ. NO. 951779
97-41
2D.00
JUNEAU PLAT COST
DATE JUNE 26 '97
FEE 2.10 P
RECORDED BY R&M ENGINEERING
OFFICE INC.