

REAL PROPERTY PURCHASE AND SALE AGREEMENT

This Real Property Purchase Agreement (“Agreement”) is made in duplicate and entered into by and between **Archipelago Properties, LLC**, an Alaska Limited Liability Company, having a mailing address of 725 Broad Street, Augusta, Georgia 30901 (“Archipelago”) and, the **City and Borough of Juneau**, a municipal corporation in the State of Alaska, having its offices at 155 South Seward Street, Juneau, Alaska 99801, (“CBJ”) (collectively, “Parties”).

1. Intent: The Parties wish to execute this Purchase and Sale Agreement (“Agreement”) to facilitate the reconfiguration and development of the below described real property for their mutual benefit. CBJ will acquire the remaining submerged lands in order to expand and make improvements to the CBJ’s cruise ship dock; the Parties will purchase and sell to each other certain upland portions by which CBJ will secure improved ingress and egress to its cruise ship facilities; and Archipelago will retain a portion of its existing uplands for commercial development.

2. Real Property: Subject to the terms and conditions set forth in this Agreement, Archipelago agrees to convey to CBJ, and CBJ agrees to convey to Archipelago, fee simple title to the following described real property located in the Juneau Recording District, First Judicial District, State of Alaska:

A portion of Lots 1 and 2 owned by Archipelago, and Lot 4 owned by CBJ, Archipelago Subdivision, Plat No. 2013-22, Juneau Recording District, First Judicial District, State of Alaska, as further described in Exhibit A.

(hereinafter, the “Property”).

3. Purchase Area: The area of the Property to be conveyed by Archipelago to CBJ consists of approximately 24,104 square feet of land, consisting of portions of Lot 1 and Lot 2; and the area of the Property to be conveyed by CBJ to Archipelago consists of approximately 4,193 square feet of land, consisting of a portion of Lot 4; as described in Exhibit A of this Agreement (hereinafter, the “Purchase Area”).

4. Land Value: The value of the land to be purchased or exchanged by the Parties has been determined by the Appraisal Report of Horan & Company, dated December 10, 2018 (the “Appraisal”). The net balance due from CBJ to Archipelago is \$922,175.00 (Nine Hundred Twenty-two Thousand, One Hundred Seventy-Five Dollars), after offsets for property purchased by Archipelago and other adjustments as set forth in the Appraisal.

5. Evidence of Title: Archipelago and CBJ represent that fee simple title to the Property is vested in Archipelago and CBJ, respectively.

6. Title Insurance: Within 10 calendar days of the execution of this Agreement, the Parties shall jointly obtain an updated preliminary commitment to issue title insurance. Each Party shall have 10 calendar days after receipt of the updated preliminary title report to notify the other of any objections to title conditions stated in the report. After notification of any title objections, if

it appears that either Party will be unable to convey title to the Property free and clear of encumbrances, liens, or exceptions to title, other than those deemed acceptable by the other Party, that Party shall have a further period of 30 days within which to perfect title. If, at the end of such period, the Party is still unable to convey title to the Property free and clear of all encumbrances, liens or exceptions to title except as aforesaid, the other Party may elect to accept such title as that Party can convey, upon the payment of the purchase price stated in Paragraph 3 herein, as may be adjusted by mutual agreement of the parties on account of the encumbrance, or a Party may, without penalty, terminate this Agreement and have no further obligations hereunder.

7. Conveyance: The Parties shall convey title to the Property to the other Party by quitclaim deed, free of any mortgages, liens, encumbrances or other defects in title, other than those deemed acceptable by the other Party.

8. Encumbrances: The Parties agree not to sell, convey, or further encumber the Property prior to closing without concurrence of the other party.

9. Retaining Wall: CBJ, in conjunction with the construction of a piling-supported structure over its submerged portion of the Property, and subject to appropriation, intends to construct and maintain a retaining wall through the Property, as further described in Exhibit B.

10. Construction Easement: Recognizing the extraordinary cost associated with constructing the pile decking and transportation staging parking from the channel side of the Property from barges, Archipelago shall grant to CBJ an exclusive temporary construction easement or license on its uplands portion of the reconfigured Property, as further described in Exhibit C, to allow staging of equipment, material, and personnel, as well as construction from the uplands side of the Property. When CBJ has substantially completed construction of the pile decking and transportation staging area, CBJ shall likewise grant to Archipelago a temporary easement or license to the transportation staging and pile-supported decking areas for construction of Archipelago's upland improvements. Unless terminated earlier, this easement or license shall be for a period of ten (10) months, which may be extended upon mutual agreement of the Parties. The Parties shall indemnify and hold each other harmless during their respective construction activities and maintain appropriate liability insurance. These indemnity terms shall survive after construction is completed. Upon completion of its construction activities on the uplands site, CBJ shall leave a clean and graded uplands site.

11. Construction Timing and Reversion: CBJ shall have until March 29, 2019, to appropriate funding for the transportation staging, shuttle parking and deck-over portion of the project; to advertise such project for bid; and to order construction materials to be supplied by CBJ. If the forgoing actions have not been completed by such date, Archipelago shall have the right, but not the obligation, to terminate the Construction Easement described in Section 10 hereof, and to proceed immediately with Archipelago's commercial development and construction on its upland property. Further, if CBJ has not commenced construction of its project on the adjoining portion of the property within three (3) years of the date on which this Agreement was executed by both parties, Archipelago shall have the right, but not the obligation, to repurchase the property sold or exchanged to CBJ under this Agreement at the then fair market value, including

the value of any improvements made to the property by CBJ prior to that time. Any deadline set forth in this section may be extended for a reasonable time upon mutual agreement of the Parties if the action to be taken has been commenced and is reasonably certain to be completed within a time which will not materially further delay completion of the project.

12. Access between public parking structure and Property: As a condition of this purchase and sale agreement, CBJ agrees to provide a public access and utility easement for the area between the Property and the public parking structure. Archipelago and its tenants, invitees, and contractors shall have the non-exclusive right to access the area in the normal course of conducting business to service the Property. The parties understand and acknowledge that access to this area is from South Franklin Street, which is controlled by Alaska Department of Transportation & Public Facilities. While the CBJ intends the area to be available for access to utilities for the mutual benefit of both Parties, ADOT has final control of road access to the area. This area and easement are further described in Exhibit D.

13. Access and Easements: No barriers shall be constructed between the two reconfigured properties, except as required for pedestrian safety between the transportation staging shuttle parking area and the Archipelago development. In the event a barrier is deemed required for public safety, both Parties prior to installation shall agree upon the design and location. Archipelago will grant an easement for placement, construction, and maintenance of a retaining wall as shown in Exhibit B and described in Section 9 hereof.

Subject to final design, if applicable, CBJ and Archipelago shall grant to one another utility easements for the installation, repair, maintenance, and improvements for utilities as needed. Archipelago and CBJ shall each be responsible for the repair and condition of utility improvements on their respective reconfigured parcels.

Archipelago shall grant to CBJ an access easement across and on its property for the repair and maintenance of the retaining wall as needed from time to time.

CBJ grants to Archipelago and its tenants, invitees, and contractors a non-exclusive limited license for access to the transportation staging shuttle parking area in the normal course of business. At no time, however, shall this license conflict with or impair the primary use of the transportation staging shuttle parking area, which is to serve cruise ships and supporting activities, as designated by CBJ. This non-exclusive limited license shall only be in effect outside of peak usage by commercial passenger transportation vehicles supporting cruise vessels, the primary user of the transportation staging shuttle parking area.

14. Future Improvements on Reconfigured Public Portion of Property: As used herein, the term "Future Improvements" means any permanent or temporary structure or improvement to be placed or constructed upon those portions of the present Archipelago subdivision parcels 1, 2, 3 and 4, after acquisition by CBJ, for public or private use, by either Party hereto or any third party. The term expressly excludes the area designated by CBJ for cruise ship passenger staging, loading and transportation (the "B Permit Parking Lot"); the area and structure designated for covered passenger staging, welcome and assembly; the act of decking over of the remaining open areas of the aforesaid parcels; and the commercial/retail development on the uplands

portion of Lots 1 and 2; all of which are expressly contemplated within this transaction and consented to by the Parties (herein, the “Approved Structures”).

With respect to Future Improvements other than the Approved Structures, Archipelago shall have, and hereby reserves for itself and its successors and assigns, a limited right to object in advance of placement or construction of such improvements on the portion of the subject property designated on Exhibit E hereto, based upon the following considerations: Archipelago may object if the Future Improvement does not provide an identifiable public purpose or benefit, and is reasonably likely to impair, interfere with, or unfairly compete with, the businesses and operations taking place on the adjacent Archipelago premises. If CBJ proposes a Future Improvement it shall notify Archipelago in writing at least 180 days in advance of the intended date of commencement, and Archipelago shall have not more than 60 days to consider and state in writing its objection to the improvement, if any. In the event of objection, the two Parties will work in good faith to attempt to resolve the objectionable issues. Archipelago’s approval shall not be unreasonably withheld, provided the above conditions are met.

15. No Violations: Both Parties represent that at this time and at the time of the closing of title, there shall exist no violations of government (including environmental, zoning and planning) rules, regulations or limitations, unless the same have become legally nonconforming, and no violations of any restrictive covenant, agreement or condition subject to which the title is to be conveyed in accord with the terms hereof.

16. Taxes: All local taxes applicable to the Property shall be prorated and paid through the date of closing.

17. Closing: Closing on the sale of the Property shall occur no later than March 31, 2019, unless the closing date is extended by written agreement of the parties. Such agreement shall not be unreasonably withheld.

18. Costs: CBJ shall be responsible for obtaining survey and subdivision of the Property; provided however that Archipelago and the CBJ shall share equally in the cost for survey and subdivision of the Property and title insurance. All reasonable and customary closing costs shall be split evenly between Archipelago and CBJ at time of closing. Each Party shall pay its own separate attorney fees incurred in negotiations, drafting, and documenting this transaction.

19. Conditions Precedent: The parties acknowledge that closing is subject to the following conditions:

a. Both Parties’ receipt of a preliminary commitment to issue title documenting clear title to the Property, acceptable to each Party.

b. First American Title Insurance Company shall serve as closing and escrow agent for the parties hereunder.

c. Each Party and its representatives, consultants and contractors shall have the privilege, opportunity and right of entering upon the Property, in order to inspect and examine

same and perform (i) a comprehensive inspection and review of the physical condition of the property; (ii) such environmental analysis as each Party deems necessary; (iii) a review of all plans, drawings, specifications and surveys pertaining to the property boundary, as well as other tests and inspections of same (including, without limitation, environmental tests, studies and examinations, soil tests, borings, percolation tests and other tests needed to determine surface, subsurface and topographic conditions); (iv) a land survey to establish the purchase area.

d. If any of these conditions are not satisfied within the timeframe provided, and the deadline has not been waived, then either party may elect to terminate this Agreement upon written notice.

20. General Agreement Terms:

a. Possession. Each Party shall continue in possession of its portion of the Property until closing. Possession shall be transferred at closing, subject to the easements granted herein.

b. Assignment. This Agreement is binding on the heirs, successors, and assigns of the parties, but shall not be assigned by either party without prior written consent of the other party.

c. Modifications. Any changes to this Agreement must be mutually agreed upon in writing before they will be regarded as part of this Agreement.

d. Notices. Any notice to be delivered pursuant to the terms hereof shall be in writing and shall be sent by certified mail, hand delivered, or by facsimile to the parties at the addresses set forth above, unless written notice of a different address shall be given to the other party.

e. Construction. This Agreement should not be construed in favor of or against any party, as both parties participated in negotiating and drafting it. This Agreement contains the entire agreement between the parties and supersedes all previous communications, representations or agreements, either oral or written, between the parties.

f. Choice of Law; Jurisdiction. This Agreement shall be governed by the law of the State of Alaska. The Superior Court for the State of Alaska, First Judicial District at Juneau, Alaska, shall be the exclusive jurisdiction and venue for all actions of any kind and any nature arising out of or relating to this Agreement or arising out of or relating to any performance under this Agreement. In the event that one party is required to take legal action to enforce any portion of this Agreement, the parties agree the non-prevailing party will pay the reasonable attorney fees incurred by the prevailing party.

g. Compliance with Applicable Laws. Both parties shall, at their sole cost and expense, comply with all applicable requirements of federal, state, and local laws, ordinances and regulations now in force, or which may be in force, during the performance of this Agreement.

DRAFT

CBJ: CITY AND BOROUGH OF JUNEAU

Rorie Watt, City Manager

Date: _____

Approved as to form: _____ CBJ Law Department

Approved as to content: _____ Lands and Resources Manager

Approved to content: _____ Docks & Harbors Director

ACKNOWLEDGEMENT

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

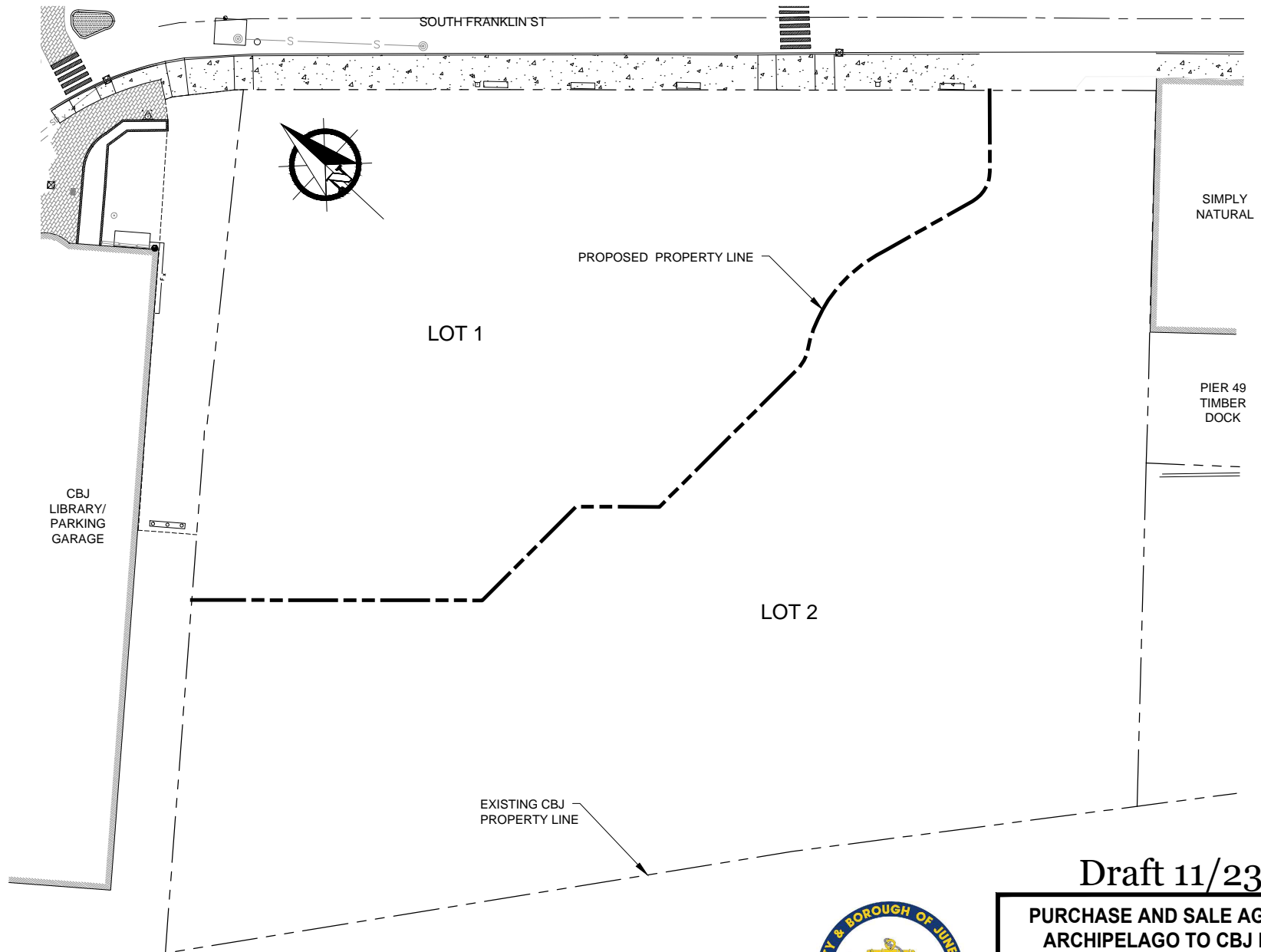
)
) ss.
)

The foregoing instrument was acknowledged before me this _____, 2018, by Rorie Watt, the City Manager of the City and Borough of Juneau, an Alaska municipal corporation on behalf of said corporation for the uses and purposes therein mentioned.

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

(Seal)

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

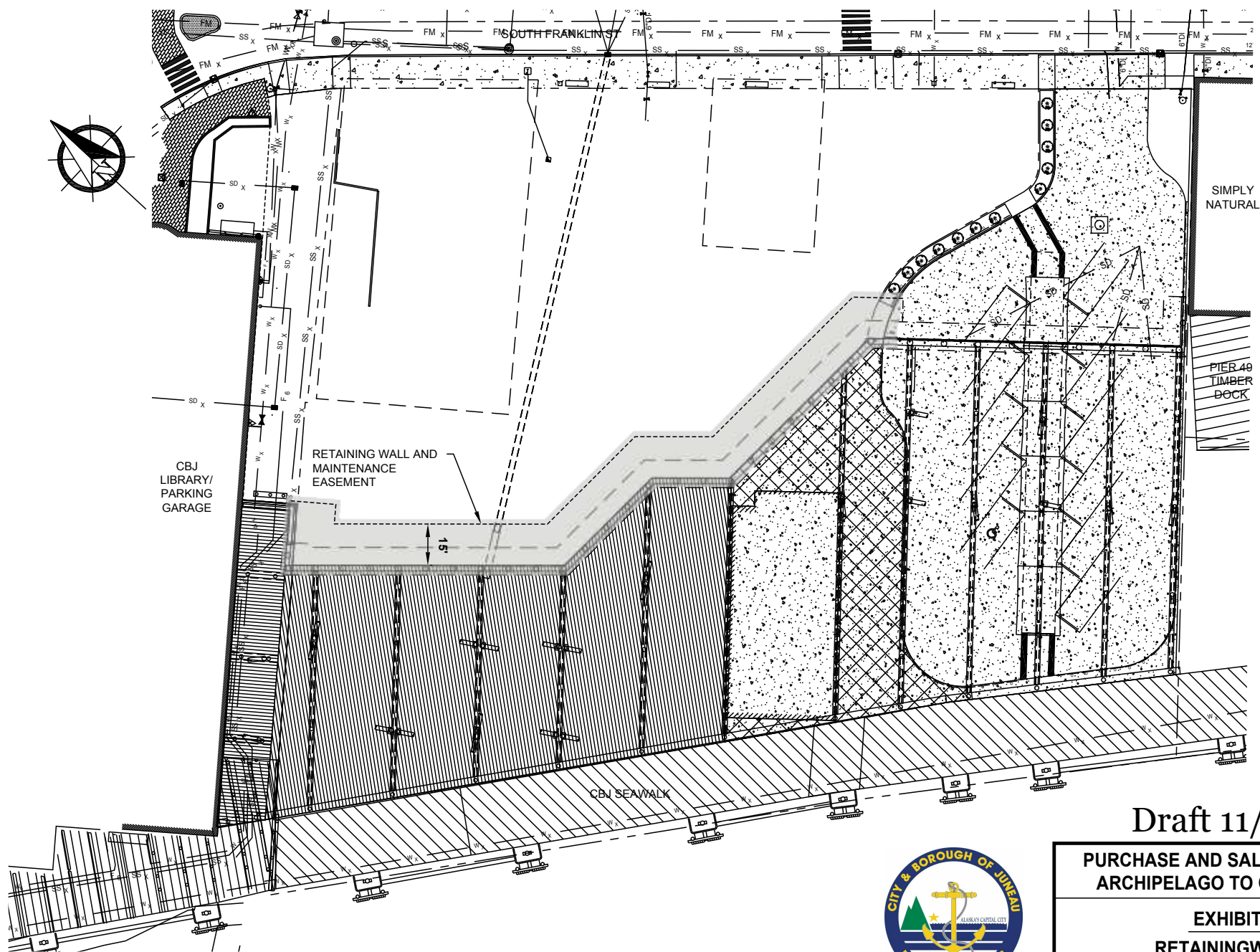
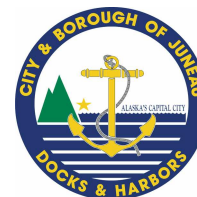


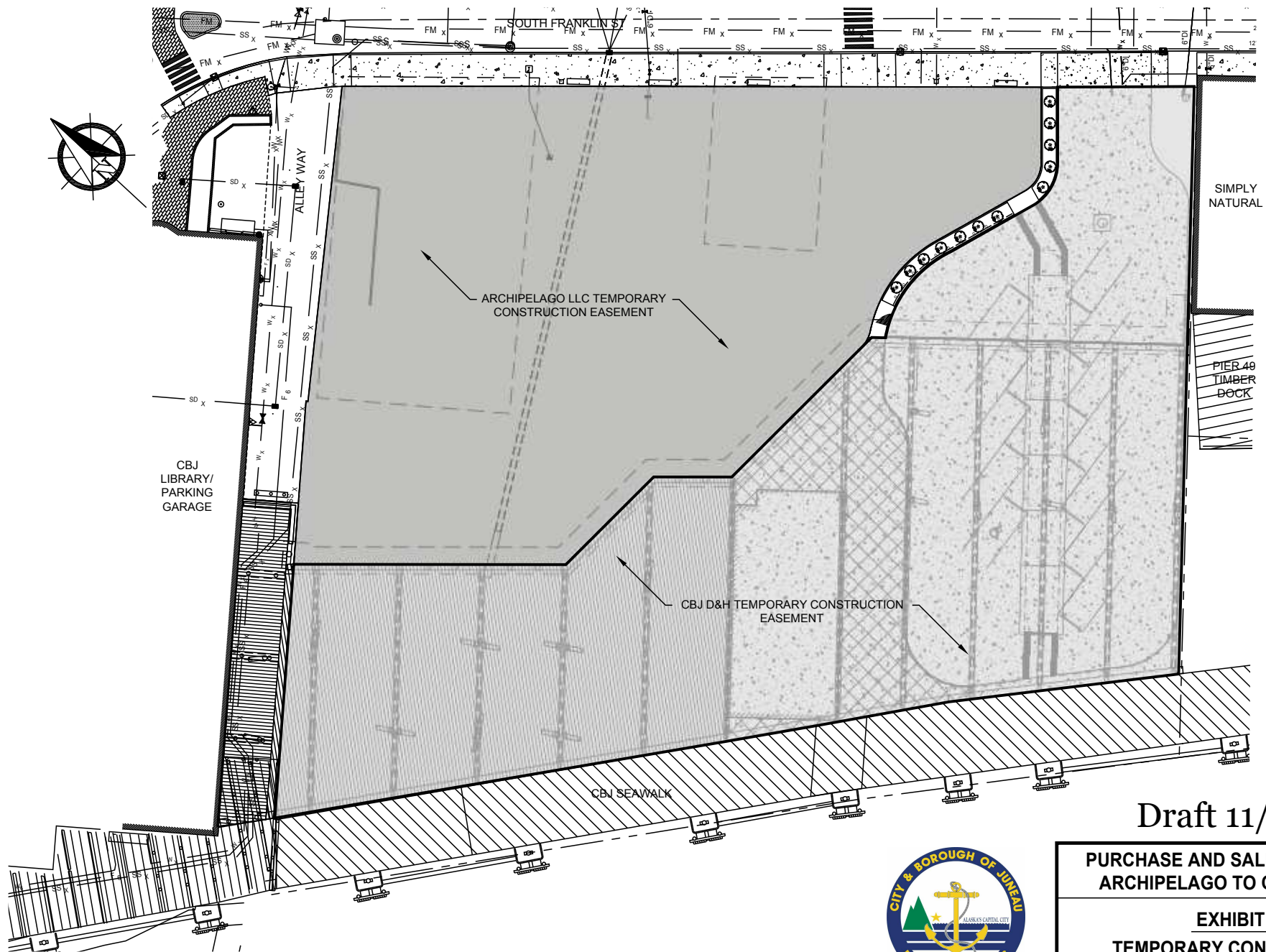
Draft 11/23/18

PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

EXHIBIT A
SURVEY PLAT

EXHIBIT B
**RETAININGWALL &
INTENANCE EASEMENTS**

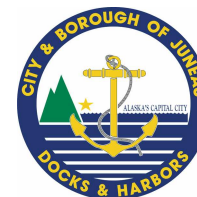




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**PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS**

**EXHIBIT C
TEMPORARY CONSTRUCTION
EASEMENTS**





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PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

EXHIBIT D
PUBLIC ACCESS &
UTILITY EASEMENT



Draft 11/23/18

PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

EXHIBIT E
FUTURE IMPROVEMENTS AREA

