

SBS LEASE ADJUSTMENT



SITKA ECONOMIC DEVELOPMENT ASSOCIATION

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Thursday, September 11, 2008

MEMORANDUM

To: Sawmill Cove Board of Directors

From: Garry White, Director

Subject: Sawmill Cove Industrial Park – SBS Lease Area

In September 2008, the SCIP Director and SEDA Staff worked with the Scott Brylinsky of the City and Borough of Sitka (CBS) to organized SCIP lease tenant contracts in regards to lease provisions surrounding lease areas and rates. During the organizational process it was discovered that a lease agreement between CBS and Silver Bay Seafoods (SBS) had not been finalized and as such SBS was not being charged for approximately 498 SF of storage area in the Stores building.

Attached is an amendment to the original lease agreement signed in December 2007. The current short term lease allows for SBS to lease 4,800 SF of space in what is know as G-6 of the Stores Building for \$.25/SF. The agreement also leases 750 SF of space on the north end of the building on the docking bay for \$.25/SF.

A motion is needed to approve the amendment to the existing lease.

**AMENDMENT NO. 1
TO LEASE AGREEMENT
BETWEEN THE CITY AND BOROUGH OF SITKA
AND SILVER BAY SEAFOODS, LLC**

The Parties agree to amend and modify the Lease Agreement as follows:

1. Lease Agreement at No. 1 and No. 11 are amended to extend the lease area at no additional cost to allow for lease of 498 square feet of additional store space in the Stores and Maintenance Building located in what is known as G-5 according to Amended Attachment A, to read as follows (new language in underlined; deleted language stricken):
 1. Lessor shall lease to Lessee ~~4,800~~5,298 square feet storage space in the stores and Maintenance Buildings as depicted on Amended Attachment A as Silver Bay Area 1 and G-5.
- * * *
11. Lessee shall pay to Lessor rent of \$1,200.00 for Silver Bay Area (4,800 sq.ft. X \$0.25/sq.ft) per month, excluding any rental charge for the additional 498 feet of lease space provided under this Amendment No. 1 to the Lease, with the rent due the first day of each month delivered to the City & Borough of Sitka; 100 Lincoln Street; Sitka, Alaska 99835. City sales tax shall be applied.

All other sections of Lease Agreement that are not modified by this Amendment No.1 remain in full force and effect.

SILVER BAY SEAFOODS, LLC

CITY AND BOROUGH OF SITKA

Richard A. Riggs, CEO

Jim Dinley, Administrator

Date: _____

Date: _____