



CITY OF NORTH POLE
Regular Meeting September 18, 2017
North Pole Council Chambers
125 Snowman Lane, North Pole, Alaska

MONDAY, September 18, 2017
Committee of the Whole: 6:30 p.m.
Regular City Council Meeting: 7:00 p.m.

MAYOR

Bryce Ward – Borough Rep
888-4444

CITY CLERK

Judy Binkley
488-8583

COUNCIL MEMBERS

Kevin McCarthy- Alt Dep Mayor Pro Tem	590-0800
Avery Thompson	388-5351
David Skipp	750-5106
Santa Claus	388-3836
Thomas McGhee – Mayor Pro Tem	455-0010
Doug Isaacson - Deputy Mayor Pro Tem	322-3133

- 1. Call to Order/Roll Call**
- 2. Pledge of Allegiance to the US Flag**
- 3. Invocation**
- 4. Approval of the Agenda**
- 5. Approval of the Minutes**
- 6. Communications from the Mayor**
- 7. Council Member Questions of the Mayor**
- 8. Communications from Department Heads, Borough Representative and the City Clerk**
- 9. Ongoing Projects Report**

10. Citizens Comments (Limited to Five (5) minutes per Citizen)

11. Old Business

- a. Ordinance 17-20A, An Ordinance of the City of North Pole, Alaska to amend Title 1, by updating general penalties and including a surcharge section and code violation schedule.
- b. Ordinance 17-22, An Ordinance of the City of North Pole, Alaska to amend the 2017 operating budget and other funds.

12. New Business

- a. Approval request of Election Judges and Cavass Board members for the October 3, 2017 Regular Municipal Election.
- b. Escrow agreement with Wells Fargo Bank, State of Alaska, the City of North Pole, and Flint Hills Resources Alaska, LLC for the interim funding of the piped water system.
- c. Request to write off delinquent utility account.
- d. Development agreement for the Brookside Park by and between the City of North Pole, Alaska and Ainley International Memorial Fund, LLF DBA North Star Developers 2017.

13. Council Comments

14. Adjournment

The City of North Pole will provide an interpreter at City Council meetings for hearing impaired individuals. The City does require at least 48 hours' notice to arrange for this service. All such requests are subject to the availability of an interpreter. All City Council meetings are recorded on CD. These CD's are available for listening or duplication at the City Clerk's Office during regular business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m. or can be purchased for \$10.00 per CD. The City Clerk's Office is located in City Hall, 125 Snowman Lane, North Pole, Alaska.



**Committee of the Whole – 6:30 P.M.
Regular City Council Meeting – 7:00 P.M.**

A regular meeting of the North Pole City Council was held on Tuesday, September 5, 2017 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

CALL TO ORDER/ROLL CALL

Mayor Ward called the regular City Council meeting of Monday, Tuesday, September 5, 2017 to order at 7:00 p.m.

There were present:

Mr. McCarthy – Alt Dep Mayor Pro Tem
Mr. Isaacson - Deputy Mayor Pro Tem
Mr. Thompson
Mr. McGhee - Mayor Pro Tem
Mr. Claus
Mr. Skipps
Mayor Ward

Absent/Excused

Excused

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Ward

INVOCATION

Invocation was given by Mr. McGhee

APPROVAL OF AGENDA

Mr. McGhee *moved to* **approve the agenda of September 5, 2017**

Seconded by Mr. Thompson

DISCUSSION

None

Mr. McGhee *moved to* **consent the following items:**

Old Business:

- a. Ordinance 17-19, An Ordinance of the City of North Pole, Alaska to transfer \$28,765 from the water division reserves to the water division professional services to fund a source water protection plan.

New Business:

- b. Resolution 17-16, A Resolution of the City of North Pole, Alaska to fully authorize the Mayor to individually or jointly apply with the Fairbanks North Star Borough for the State of Alaska's Military Facility Zone for North Pole City Limits.
- d. Ordinance 17-22, An Ordinance of the City of North Pole, Alaska to amend the 2017 operating budget and other funds.

Seconded by Mr. Thompson

Discussion

None

On the amendment

PASSED

Yes: 6 – McGhee, Skipp, Claus, Thompson, McCarthy, Ward

No: 0

Absent: 1 - Isaacson

On the Agenda as amended

Discussion

None

PASSED

Yes: 6 – McGhee, Skipp, Claus, Thompson, McCarthy, Ward

No: 0

Absent: 1 - Isaacson

APPROVAL OF MINUTES

Mr. McGhee moved to approve the Minutes of August 21, 2017

Seconded by Mr. Claus

Discussion

None

PASSED

Yes: 6 – McGhee, Skipp, Claus, Thompson, McCarthy, Ward

No: 0

Absent: 1 - Isaacson

COMMUNICATIONS FROM THE MAYOR

- Daniel Domke, Joni Simpson, Clarice Mingo, and Andrea Wade did a presentation on creating opportunities for high school students through internships in the North Pole area. This program is already in place at Fairbanks and they wanted to see if this was something North Pole would like to participate in with North Pole High School. If Council would like to proceed, it could be effective as soon as mid semester this year.
- The Violations Committee will be meeting before the first meeting of every month in the Council Chambers starting at 5:30pm. The public is welcome to attend. We will be visiting each section of code to revise our Violations Schedule.
- I am currently supporting the American Cancer Society with the Real Men Wear Pink Campaign. If you are interested in supporting me, please go to: http://main.acsevents.org/site/TR?px=46167460&fr_id=85043&pg=personal. Thank you to all who have helped me raise money for the American Cancer Society.
- September 9th is the second annual Mayors March. We are starting from City Hall and marching to The Door in town. If you would like to walk this year, please let me know as we would love to have more walkers. The trip is only about 8 miles this year as we are bussing people around the Richardson Highway. Mayor Matherly will not be able to walk with us but he will be DJ'ing the bus.
- This Friday at 7pm is the NPHS Homecoming Game and the Mayors Bowl. Come watch the North Pole Patriots pummel the Lathrop Malamutes in a fun filled game that pins the NP and FBX mayors against each other. The stakes are steep!
- KJNP will be hosting its 50th anniversary celebration at the Wedgewood Resort on Saturday October 7th at 6pm. Tickets are available at KJNP and seating is limited.
- The Richardson HWY MP 351 Interchange (aka 12 Mile) 1st Open House will be September 27th at Hotel North Pole from 5-9pm. There are several options on the table and public input is really needed.
- The NPHS Homecoming Parade will be going through town on Thursday the 7th and will be going the normal route. I will be judging around 5:30pm at the SCH parking lot if the public is interested in attending.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

None

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Fire Dept., Chief Coon

None

Police Dept., Chief Dutra

- Sgt. Bellant started GREAT Training at the middle school and will put together a presentation for Council
- Have been in and out of the office a lot but have a great group
- Acknowledged Mr. and Mrs. Welch for all they have done for the Memorial Park raffle

Finance, Tricia Fogarty

- PFD Garnishments have been submitted this year.

Director of City Services, Bill Butler

Building Department

- Santa Claus House Retail Expansion Phase 1: City issued remainder of permits for project after Fire Marshal issued their permit.
- Owner wants to do work this fall on sprinkler system for the existing retail building but has not yet submitted plans or a permit application to the City, but has submitted these to the State Fire Marshal.
- One new residential building permit issued for developer of Desert Eagle Loop, in Stillmeyer Subdivision

Public Works

- Summer hires have returned to school, but two continue to work several mornings per week to support landscaping work.
- Staff did brush cutting around City since last meeting
- Snowplow contractor he will not be asking to renew contract for 2017-18.
 - Releases invitation to bid today for new snowplowing contractor.

Utility Department

- Second reading for the ordinance to award the Source Water Protection Project to PDC Engineers is before Council this evening.
- Sulfolane settlement
 - 95% engineering and design documents for water system extension to be submitted to ADEC September 8 for review and application for Authorization to Construct.
 - At tomorrow's project team meeting will begin finalizing the Request for Proposals with the goal to release the RFP in approximately one month.
 - Project will begin shifting to the City being the contracting entity for the construction phase of the project.
 - State & FHR are creating an escrow account to pay construction costs. Pay requests will go through the City and paid from the escrow account.
 - City will hire a Construction Manager to assist in bidding, contractor oversight and construction inspections.

- One of first planned purchases is pre-buying gravel and pipe for winter construction. City may need to apply section of Code that allows special purchasing without competitive bidding due to time constraints. (See reverse side for Code language.)

Natural Gas Utility Board

- IGU is generating predictions of the impacts of natural gas prices and conversion rates by customers to natural gas to determine the feasibility of the project being successful with available funding.

4.16.060 Innovative and special procurements.

Notwithstanding any other provision of this code, the Mayor or his designee may initiate a procurement above the small purchase amount specified in NPMC 4.16.030, Purchase limits, when the Mayor or his designee determines that an unusual or unique circumstance exists that makes the application of all requirements of competitive sealed bidding or competitive sealed proposals contrary to the public interest, including, but not limited to, the need to meet new or unique State requirements, new technologies, or to achieve best value. Any special procurement under this section shall be made with such competition as is practicable under the circumstances. The Mayor or his designee in the contract file shall include a written determination of the basis for the procurement and for the selection of the particular contractor, and a report shall be made publicly available at least annually describing all such determinations

Borough Representative

- In an effort to help educate local residents, the Fairbanks North Star Borough will host its 2nd annual Clear the Air on September 22-23rd at the Wedgewood Resort Hotel. This is a home heating forum and expo put on by the Fairbanks North Star Borough. There is no cost to attend this event, however, pre-registration is required.
- The Assembly passed Resolution 2017-28 supporting the City utility extension to serve Moose Creek as part of the Air Force's Feasibility study.
- Resolution 2017-27 is a request to host the 2019 summer AML session in Fairbanks.

City Clerk's Office, Judy Binkley

- Wrapping up the Workman's Comp audit and verifying the numbers this week
- Will be on vacation the 11th-13th

ONGOING PROJECTS

None

CITIZENS COMMENTS – (Limited to Five (5) minutes per Citizen)

- Aino Welch – Commented on how pleased she was to see the School District presentation this evening and would like to support the program.

OLD BUSINESS

Consented

Public Comment

None

NEW BUSINESS

ORDINANCE 17-20, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND TITLE 1, BY UPDATING GENERAL PENALTIES AND INCLUDING A SURCHARGE SECTION AND CODE VIOLATION SCHEDULE.

Mayor Ward introduced the ordinance.

Public Comment

None

Mr. McGhee *moved to* introduce and advance Ordinance 17-20, an Ordinance of the City of North Pole, Alaska to amend Title 1, by updating general penalties and including a surcharge section and code violation schedule.

Seconded *by* Mr. McCarthy

Discussion

Mr. McGhee *moved to* amend Ordinance 17-20 by substituting it with Ordinance 17-20A

Seconded *by* Mr. Thompson

Discussion

Mr. McGhee thanked the Violations Committee for meeting regularly to address this.

On the amendment

PASSED

Yes: 6 – McGhee, Skipp, Claus, Thompson, McCarthy, Ward

No: 0

Absent: 1 – Isaacson

Discussion on the motion as amended

None

On the motion as amended

PASSED

Yes: 6 – McGhee, Skipps, Claus, Thompson, McCarthy, Ward

No: 0

Absent: 1 - Isaacson

ORDINANCE 17-21, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND TITLE 4, REVENUE AND FINANCE CHAPTER 12 PROPERTY TAX, BY REMOVING ALL NON-MANDATORY PROPERTY TAX EXEMPTIONS.

Mayor Ward introduced the ordinance.

Public Comment

None

Mr. McGhee *moved to* introduce and advance Ordinance 17-21, an Ordinance of the City of North Pole, Alaska to amend Title 4, Revenue and Finance Chapter 12 Property Tax, by removing all non-mandatory property tax exemptions

Seconded by Mr. Thompson

Discussion

Discussion ensued. Mr. McGhee and Mr. Claus stated they were not in support of this ordinance while Mr. Thompson and Mayor Ward spoke in favor.

FAILED

Yes: 3 – Skipps, Thompson, Ward

No: 3 – McGhee, Claus, McCarthy

Absent: 1 - Isaacson

COUNCIL COMMENTS

Mr. McCarthy – Thanked everyone for a quality meeting

Mr. McGhee – Had a wonderful 4 day weekend – went fishing in Homer and limited out.

Mr. Isaacson – Absent

Mr. Skipps – None

Mr. Claus – It's now getting darker earlier so asked everyone to be more careful

Mr. Thompson – None

Mr. McGhee *moved to* adjourn the meeting at 8:25 p.m.

Seconded by Mr. Thompson

The regular meeting of Tuesday, September 5, 2017 adjourned at 8:26 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, September 18, 2017.

Bryce J. Ward, Mayor

ATTEST:

Judy Binkley, North Pole City Clerk

125 Snowman Ln
North Pole, Alaska
99705
907-888-4444
907-488-8584

City of North Pole
Office of the Mayor

Memo

To: North Pole City Council
From: Mayor Ward
CC:
Date: August 28, 2017
Re: General Penalty amendment to code

Council,

Please consider the amendment to the General Penalty section of Code, This section will become the Fee Schedule for our violations and will need to be updated as we amend our code in order to enforce the City Code. This same section will need to be updated to the State of Alaska's Uniform Minor Offense Table (UMOT) in order for it to be enforceable through the state court system.

These changes have been reviewed by the attorney, State of Alaska Court Clerk and the Violations Committee.

Sincerely,

Mayor Bryce J. Ward

Bryce Ward

From: Helen Sharratt <hsharratt@akcourts.us>
Sent: Monday, August 07, 2017 10:47 AM
To: mayor; Nathan Vander Martin
Subject: City of North Pole Ordinances

Good Morning Mayor Ward,

Thank you for your call today to inform the ACS that the City of North Pole wants to add offenses to the UMOT, and that you are in the midst of a project to review and update your code. As I explained, you will need to start off by listing all those offenses you want your officers to be able to cite. Nate will send you a spreadsheet for this purpose.

Nate, please send Mayor Bryce Ward the spreadsheet, and please add him and his email to the city official distribution list for the City of North Pole.

We discussed that you currently have two offenses in the UMOT but that the city may want those to be optional court appearances. We discussed that you will need to put them on a fine schedule if so. We talked about the requirements for a fine schedule.

I explained that the city can add all offenses throughout the code that you want to make optional court appearance offenses to a fine schedule and put the fine schedule in Title 1 with your general penalty ordinance and your surcharge ordinance. In the title itself where the offenses are defined you can state that the penalty for offenses in that title are found in Title 1.X.X. The penalty for a particular offense will either be listed on the fine schedule, or, if the city wants the defendant to have to see a judicial officer to determine the level of the fine, the offense will not be listed on the fine schedule. Any offense not on the fine schedule would automatically be subject to the general penalty, also located in Title 1 in an ordinance that provides that unless another penalty is provided, the penalty for violations of the code is a fine up to.....\$X. These offenses would be mandatory court appearance offenses.

I would be happy to review any draft changes you propose to your ordinances before they go to the city. I also recommend that you run your proposals by your contract city attorney.

Below please find the language we discussed this a.m. that you could use in Title 1 to create a general penalty, a surcharge ordinance and a fine schedule:

1.X.X General Penalty

Unless an ordinance specifically provides otherwise, any person violating any of the provisions of this code or failing to comply with any of the mandatory requirements of this code is guilty of a minor offense and shall be punished by a fine not to exceed \$ X.

1.X.X Surcharge

In addition to any penalty prescribed by law, a defendant convicted of violating a city ordinance shall pay the surcharge required under AS 12.55.039 and 29.25.074. All such surcharges collected shall be remitted to the State of Alaska as required by AS 29.25.074.

1.X.X Minor Offense Fine Schedule

In accordance with AS 29.25.070(a), citations for the following offenses may be disposed of as provided in AS 12.25.195-.230, without a court appearance, upon payment of the fine amounts listed below plus the state surcharge required by AS 12.55.039 and AS 29.25.074. Fines must be paid to the court. The Rules of Minor Offense Procedure in the Alaska

Rules of Court apply to all offenses listed below. Citations charging these offenses must meet the requirements of Minor Offense Rule 3. If a person charged with one of these offenses appears in court and is found guilty, the penalty imposed for the offense may not exceed the fine amount for that offense listed below. If an offense is not listed on this fine schedule or another fine schedule, the defendant must appear in court to answer to the charges.

(Offenses described are by way of example only)

Section	Offense Description	Fine Amount
Title, Chapter, Section Number	Dog at large	\$
Title, Chapter, Section Number	Littering	\$
Title, Chapter, Section Number	Camping	\$
Title, Chapter, Section Number	Curfew	\$
Title, Chapter, Section Number	Public Intoxication	\$
Title, Chapter, Section Number	Tobacco use by minor	\$
Title, Chapter, Section Number	Marijuana use in public place	\$

If you have local traffic offenses (that are particular to the city and are not covered by state law - which you have adopted, you can add these to the same fine schedule. If you choose to add any local traffic offenses, you will also need to add the following language to the minor offense fine schedule language provided above the table:

The fine amounts listed are doubled for motor vehicle or traffic offenses committed in a highway work zone or traffic safety corridor, as those terms are defined in AS 28.90.990 and 13 AAC 40.010(b).

An offense listed in this schedule may not be disposed of without court appearance if the offense is in connection with a motor vehicle accident that results in the death of a person.

Helen.

Helen Sharratt
Integrated Justice Coordinator
Alaska Court System
hsharratt@akcourts.us
(907) 264 0853

Bryce Ward

From: Rene Broker <reneb@alaskalaw.com>
Sent: Monday, August 14, 2017 9:07 AM
To: Bryce Ward
Cc: Judy Binkley
Subject: RE: Violations update

Excellent. It looks good. You may want to consider, rather than citing to specific statutes, to instead just say something along the lines of "as required by state law or as set forth in state law." There are a lot of benefits to citing specific law as it allows readers to easily identify the source and underlying basis and provides a roadmap so people know where to go to familiarize themselves with the state law--but on the other hand state law gets rewritten occasionally and it's been my experience that municipalities can forget to update their codes with the correct citations.

From: Bryce Ward [<mailto:Bryce.Ward@northpolealaska.org>]
Sent: Friday, August 11, 2017 12:24 PM
To: Rene Broker <reneb@alaskalaw.com>
Cc: Judy Binkley <Judy.Binkley@northpolealaska.org>
Subject: Violations update

Renee,

We have been working with Ms. Sharrat with the courts on updating our code to be able to enforce it. Per her recommendation I am recommending changes to our general penalty section of code as follows. I plan on updating our chapters one at a time and amending the schedule as needed, at this point we really have nothing we can put into it until the other sections of code are modified. This would be forwarded to the violations committee before it hits the council so we have time to amend.

Bryce J. Ward
Mayor
City of North Pole, Alaska
Office 907-488-8584
Cell 907-888-4444
www.Northpolealaska.com

CITY OF NORTH POLE

SUBSTITUTE ORDINANCE 17-20A

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND
TITLE 1 TO UPDATE THE GENERAL PENALTY, TO ADD A SURCHARGE
ORDINANCE, AND TO CREATE A MINOR OFFENSE FINE SCHEDULE**

WHEREAS, changes to the practices, regulations and policies is a continually changing requirement; and

WHEREAS, the City of North Pole desires to establish a clear and concise schedule for code violations; and

WHEREAS, the City code list many violations but has not established a fine schedule for minor offense violations when such violations do occur; and

WHEREAS, if the code is to be enforced then it is prudent to have a mechanism to do so; and

WHEREAS, it is the City's desire, pursuant to AS 29.25.070(a), to provide for violations that offer the offender the option of paying a fine without appearing before a judge; and

WHEREAS, the City reserves the right to charge someone with an offense greater than a violation if necessary; and

WHEREAS, State law governing municipal violations and charges have changed since the City originally adopted this section of code; and,

WHEREAS, the Minor Offense Fine Schedule shall be applied uniformly to the entire code and gives direction to officers on how to enforce the code; and,

WHEREAS, Alaska Statute 11.81.250 classifies offenses into categories and lists violations in AS 11.81.250(a)(6) as follows: 'violations, which characteristically involve conduct inappropriate to an orderly society but which do not denote criminality in their commission.'

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of North Pole:

Section 1. This ordinance is of a general and permanent nature and shall be codified.

Section 2. Title 1 General Provisions, Chapter 1.20 General Penalty is amended as follows by inserting the text italicized, underlined and in red:

1.20.010 General penalty – ~~Continuing violations.~~

~~It is unlawful for any person to violate or fail to comply with any of the provisions of this code, and where no specific penalty is provided therefor, the violation of any provision of this code~~

~~shall constitute a misdemeanor and shall be punished by a fine not exceeding \$300 (three hundred dollars). If the violation of the North Pole Municipal Code would constitute a felony under State law, it shall be a felony violation by municipal code. All fines and costs imposed and collected for violation of this code or other municipal ordinances shall belong to the City and be paid over to its Treasury. Each day any violation of any provision of this code continues shall constitute a separate offense.~~

1.20.010 General Penalty

Unless an ordinance specifically provides otherwise, any person violating any of the provisions of this code or failing to comply with any of the mandatory requirements of this code is guilty of a minor offense and shall be punished by a fine not to exceed \$500 (five hundred dollars).

1.20.20 *Surcharge*

In addition to any penalty prescribed by law, a defendant convicted of violating a city ordinance shall pay the surcharge required under AS 12.55.039 and 29.25.074. All such surcharges collected shall be remitted to the State of Alaska as required by AS 29.25.074.

1.20.30 Minor Offense Fine Schedule

In accordance with AS 29.25.070(a), citations for the following offenses may be disposed of as provided in AS 12.25.195-.230, without a court appearance, upon payment of the fine amounts listed below plus the state surcharge required by AS 12.55.039 and AS 29.25.074. Fines must be paid to the court. The Rules of Minor Offense Procedure in the Alaska Rules of Court apply to all offenses listed below. Citations charging these offenses must meet the requirements of Minor Offense Rule 3. If a person charged with one of these offenses appears in court and is found guilty, the penalty imposed for the offense may not exceed the fine amount for that offense listed below. If an offense is not listed on this fine schedule or another fine schedule, the defendant must appear in court to answer to the charges.

[illegible]

Section 3. Effective date.

This ordinance shall become effective immediately upon passage.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this
18th day of September, 2017.

Bryce J. Ward, Mayor

ATTEST:

Judy Binkley, North Pole City Clerk

PASSED/FAILED Yes: No: Absent:

**CITY OF NORTH POLE
ORDINANCE NO. 17-22**

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO
AMEND 2017 OPERATING BUDGET AND OTHER FUNDS**

WHEREAS, changes to the public services practices and policies is a continually changing requirement; and,

WHEREAS, the City of North Pole budget should be amended to conform to the requirements of the City; and,

WHEREAS, adjustment in the budget are necessary to remain compliant with council approved authorizations and budget management rules, and

WHEREAS, fiscal notes are the method prescribed by the code to amend a budget; and,

WHEREAS, fiscal notes have been reviewed by the Accountant and Mayor for accuracy and will be recorded as amendments to the budget upon approval,

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of North Pole that it approves changes as listed in the fiscal note to be attached to this ordinance for the purpose managing the City budget.

Section 1. This ordinance is of a general nature and shall not be codified.

Section. Effective date.

This ordinance shall become effective immediately upon passage.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 18th day of September, 2017.

Bryce J. Ward, Mayor

ATTEST:

Judy L. Binkley, North Pole City Clerk

PASSED/FAILED Yes: 0 No: 0 Absent: 0

City of North Pole, Alaska

Fiscal Note

Fiscal Year: 2017 Ordinance#: 17-22

Abbreviated Title: Amend Police Dept Budget

Originator/ Sponsor Name Chief Dutra Date: Aug 25, 2017

Does the Ordinance Have a multiyear fiscal impact? Yes ☐ No ☒

Does the Ordinance add positions beyond the Budget? Yes ☐ No ☒

If yes, how many position? _____ If yes, what type of Position? _____

F- Full Time, P- Part time, T- Temporary

Financial Detail

FUND	Account Description	Account Number	Debits	Credits
Gen - 01	Purchase Services /Professional Services	01-53-2-235	1,420.00	
Gen - 01	Travel, Training & Membership/ Recruitment	01-53-5-505		1,420.00
	Total		1,420.00	1,420.00

SUMMARY: (Briefly describe the proposed alterations to the budget and why they are needed)

Amending 2017 Police Department Budget

Prepared by: Tricia Fogarty Date: Aug 25, 2017

City Accountant Approval: Tricia Fogarty Date: Aug 25, 2017

NOTE- Fiscal Notes are amendments to the budget, once approved

City of North Pole, Alaska

Fiscal Note

Fiscal Year: 2017 Ordinance#: 17-22

Abbreviated Title: Amend Police Dept Budget

Originator/ Sponsor Name Chief Dutra Date: Aug 25, 2017

Does the Ordinance Have a multiyear fiscal impact? Yes ☐ No ☒

Does the Ordinance add positions beyond the Budget? Yes ☐ No ☒

If yes, how many position? _____ If yes, what type of Position? _____

F- Full Time, P- Part time, T- Temporary

Financial Detail

FUND	Account Description	Account Number	Debits	Credits
State Forfeit- 13	State Forfeiture Expenses	13-10-9-600	6,708.07	
State Forfeit- 13	State Forfeiture Revenue	13-00-3-900		6,708.07
	Total		6,708.07	6,708.07

SUMMARY: (Briefly describe the proposed alterations to the budget and why they are needed)

Amending 2017 State Forfeiture Fund to reflect unexpected revenues.

Prepared by: Tricia Fogarty Date: Aug 25, 2017

City Accountant Approval: Tricia Fogarty Date: Aug 25, 2017

NOTE- Fiscal Notes are amendments to the budget, once approved

City of North Pole, Alaska

Fiscal Note

Fiscal Year: 2017 Ordinance#: 17-22

Abbreviated Title: Budget Amendment

Originator/ Sponsor Name Mayor Ward Date: Aug 28, 2017

Does the Ordinance Have a multiyear fiscal impact? Yes ☐ No ☒

Does the Ordinance add positions beyond the Budget? Yes ☐ No ☒

If yes, how many position? _____ If yes, what type of Position? _____

F- Full Time, P- Part time, T- Temporary

Financial Detail

FUND	Account Description	Account Number	Debits	Credits
Gen - 01	Purchased Services /PD - Dispatch Contract	01-53-2-250	5,260.00	
Gen -01	Purchased Services/ FD - Dispatch Contract	01-54-2-250	4,500.00	
Gen - 01	Other/Admin - Miscellaneous Expenses	01-51-9-920	1,000.00	
Gen - 01	Other/ Clerk - Miscellaneous Expenses	01-52-9-920	1,000.00	
Gen - 01	Intergov Revenue / State Revenue Sharing	01-00-7-725		19,865.00
Gen - 01	Tax Revenue / State Shared Taxes	01-00-3-318		461.97
Gen - 01	Fees & Services / Ambulance Services (EMS)	01-00-5-505		4,290.00
Gen - 01	Other Revenue / Transfer in Fund balance	01-00-9-998	12,856.97	
	Total		24,616.97	24,616.97

SUMMARY: (Briefly describe the proposed alterations to the budget and why they are needed)

Amending 2017 budget to reflect unexpected revenues.

Prepared by: Tricia Fogarty Date: Aug 28, 2017

City Accountant Approval: Tricia Fogarty Date: Aug 28, 2017

NOTE- Fiscal Notes are amendments to the budget, once approved

City of North Pole, Alaska

Fiscal Note

Fiscal Year: 2017 Ordinance#: 17-22

Abbreviated Title: Amend Fire Dept Budget

Originator/ Sponsor Name Chief Coon Date: Aug 28, 2017

Does the Ordinance Have a multiyear fiscal impact? Yes ☐ No ☒

Does the Ordinance add positions beyond the Budget? Yes ☐ No ☒

If yes, how many position? _____ If yes, what type of Position? _____

F- Full Time, P- Part time, T- Temporary

Financial Detail

FUND	Account Description	Account Number	Debits	Credits
Gen - 01	Infrastructure Outlay / Building Maintenance	01-54-7-700	3,000.00	
Gen - 01	Salaries & Benefits / Wages Full Time	01-54-1-001		3,000.00
	Total		3,000.00	3,000.00

SUMMARY: (Briefly describe the proposed alterations to the budget and why they are needed)

Amending 2017 budget to increase fire department building maintenance by 3,000.00 and decreasing full time wages.

Prepared by: Tricia Fogarty Date: Aug 25, 2017

City Accountant Approval: Tricia Fogarty Date: Aug 25, 2017

NOTE- Fiscal Notes are amendments to the budget, once approved

125 Snowman Lane
North Pole, AK 99705
P: 907-488-8583
F: 907-488-3002
Email:
judy.binkley@northpolealaska.org

City of North Pole
Office of the City Clerk/HR Mgr

Memo

To: Honorable North Pole City Council
From: Judy Binkley
CC: Mayor Ward
Date: 9/14/2017
Re: Approval request for the Election Judges and Canvass Board members for the October 3, 2017 Regular Municipal Election.

City Council Members,

I am submitting, for your approval, the following list of Election Judges and Canvass Board members for the October 3, 2017 Regular Municipal Election. Please note that circumstances may arise and replacements may be needed.

<u>NORTH POLE</u>
Barbara Sevier, Chair
Dianne Doody
Jo Small
Sharon Kubacki

<u>CANVASS BOARD</u>
Nancy Dreydoppel, Chair
Deanna Morris
Marjorie Casort
Linda Gregory

Thank you,

Judy Binkley, North Pole City Clerk

ESCROW AGREEMENT

This Escrow Agreement dated this ____ day of _____, 2017 (the “Escrow Agreement”), is entered into by and among The State of Alaska (“State”), The City of North Pole, Alaska (“City”) and Flint Hills Resources Alaska, LLC (“FHRA,” and together with the State and the City, the “Parties,” and individually, a “Party”), and Wells Fargo Bank, National Association, a national banking association organized under the laws of the United States, as escrow agent (“Escrow Agent”).

RECITALS

A. The Parties are parties to that certain Settlement Agreement executed in February, 2017 relating to water contamination in and near the City of North Pole, Alaska (the “Settlement Agreement”), under which the State and FHRA are to place certain funds in escrow to be distributed to the Parties (or other persons or entities designated by the Parties) as interim funding for certain costs relating to the installation of a piped water system;

B. The State and FHRA agree to place in escrow certain funds and the Escrow Agent agrees to hold and distribute such funds in accordance with the terms of this Escrow Agreement.

C. The Parties acknowledge that the Escrow Agent is not a party to, is not bound by, and has no duties or obligations under, the Settlement Agreement, that all references in this Escrow Agreement to the Settlement Agreement are for convenience, and that the Escrow Agent shall have no implied duties beyond the express duties set forth in this Escrow Agreement.

D. [Reserved]

In consideration of the promises and agreements of the Parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties and the Escrow Agent agree as follows:

ARTICLE 1 ESCROW DEPOSIT

Section 1.1. Receipt of Escrow Property. Following execution hereof, the State and FHRA shall deliver immediately available funds to the Escrow Agent from time to time as provided for in the Settlement Agreement (the “Escrow Property”).

Section 1.2. Investments.

(a) The Escrow Agent is authorized and directed to deposit, transfer, hold and invest the Escrow Property and any investment income thereon as set forth in Exhibit A hereto or as set forth in any subsequent written instruction signed by the Parties. Any investment earnings and income on the Escrow Property shall become part of the Escrow Property, and shall be disbursed in accordance with Section 1.3 or Section 1.6 of this Escrow Agreement.

(b) The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Escrow Agreement. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Escrow Agreement. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Escrow Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations, or advice.

(c) The Parties agree that confirmations of permitted investments (as detailed in Exhibit A) are not required to be issued by the Escrow Agent for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month. The Parties may obtain confirmations at no additional cost upon its written request.

Section 1.3. Disbursements. The Escrow Agent shall disburse the Escrow Property to the City, the State, and FHRA (or other persons or entities designated by the Parties) in accordance with the joint written instructions of the Parties, in accordance with the procedures set forth on the attached Exhibit B; provided, however, that at least three (3) Business Days prior to any such payment, the Parties shall deliver an IRS form W-9 or W-8 for such payee(s), if such form has not been previously provided to the Escrow Agent, along with a description of the purpose of the payment.

Section 1.4. Security Procedure For Funds Transfers. The Escrow Agent shall confirm each funds transfer instruction received in the name of a Party by means of the security procedure selected by such Party and communicated to the Escrow Agent through a signed certificate in the form of Exhibit B-1, Exhibit B-2, or Exhibit B-3 attached hereto, which upon receipt by the Escrow Agent shall become a part of this Escrow Agreement. Once delivered to the Escrow Agent, Exhibit B-1, Exhibit B-2, or Exhibit B-3 may be revised or rescinded only by a writing signed by an authorized representative of the Party. Such revisions or rescissions shall be effective only after actual receipt and following such period of time as may be necessary to afford the Escrow Agent a reasonable opportunity to act on it. If a revised Exhibit B-1, B-2, or B-3 or a rescission of an existing Exhibit B-1, B-2, or B-3 is delivered to the Escrow Agent by an entity that is a successor-in-interest to such Party, such document shall be accompanied by additional documentation satisfactory to the Escrow Agent showing that such entity has succeeded to the rights and responsibilities of the Party under this Escrow Agreement.

The Parties understand that the Escrow Agent's inability to receive or confirm funds transfer instructions pursuant to the security procedure selected by such Party may result in a delay in accomplishing such funds transfer, and agree that the Escrow Agent shall not be liable for any loss caused by any such delay.

Section 1.5. Income Tax Allocation and Reporting.

(a) The Parties agree that, for tax reporting purposes, all interest and other income from investment of the Escrow Property shall, as of the end of each calendar year and to the extent required by the Internal Revenue Service, be reported as having been earned by the State whether or not such income was disbursed during such calendar year.

(b) For certain payments made pursuant to this Escrow Agreement, the Escrow Agent may be required to make a "reportable payment" or "withholdable payment" and in such cases the Escrow Agent shall have the duty to act as a payor or withholding agent, respectively, that is responsible for any tax withholding and reporting required under Chapters 3, 4, and 61 of the United States Internal Revenue Code of 1986, as amended (the "Code"). The Escrow Agent shall have the sole right to make the determination as to which payments are "reportable payments" or "withholdable payments." All parties to this Escrow Agreement shall provide an executed IRS Form W-9 or appropriate IRS Form W-8 (or, in each case, any successor form) to the Escrow Agent prior to the date hereof, and shall promptly update any such form to the extent such form becomes obsolete or inaccurate in any respect. The Escrow Agent shall have the right to request from any party to this Escrow Agreement, or any other person or entity entitled to payment hereunder, any additional forms, documentation or other information as may be reasonably necessary for the Escrow Agent to satisfy its reporting and withholding obligations under the Code. To the extent any such forms to be delivered under this Section 1.5(b) are not provided prior to the date hereof or by the time the related payment is required to be made or are determined by the Escrow Agent to be incomplete and/or inaccurate in any respect, the Escrow Agent shall be entitled to withhold (without liability) a portion of any interest or other income earned on the investment of the Escrow Property or on any such payments hereunder to the extent withholding is required under Chapters 3, 4, or 61 of the Code, and shall have no obligation to gross up any such payment.

(c) To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of income derived from the investment of the Escrow Property that is earned by and reportable to one or more of the Parties, the Escrow Agent shall satisfy such liability to the extent possible from the Escrow Property (the Parties will timely reimburse any remaining amounts of such liability that is not satisfied from the Escrow Property; FHRA acknowledges that the reimbursements by the State of Alaska and the City of North Pole are subject to appropriation procedures). The reimbursement obligations provided by this Section 1.5(c) shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

(d) The Parties hereto acknowledge that, in order to help fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person or corporation who opens an account and /or enters into a business relationship. The Parties hereby agree that they shall provide the Escrow Agent

with such information as the Escrow Agent may request including, but not limited to, each Party's name, physical address, tax identification number and other information that will assist the Escrow Agent in identifying and verifying each Party's identity such as organizational documents, certificates of good standing, licenses to do business, or other pertinent identifying information.

Section 1.6. Termination. This Escrow Agreement shall terminate on the earlier of (i) December 31, 2023, or (ii) upon the disbursement of all of the Escrow Property (with the Parties also informing Escrow Agent that no further deposits of Escrow Property are anticipated), including any interest and investment earnings thereon, except that the provisions of Sections 1.5(c), 3.1 and 3.2 hereof shall survive termination and the Escrow Agent is authorized and directed to disburse the Escrow Property in accordance with Section 1.3 of this Escrow Agreement.

ARTICLE 2 DUTIES OF THE ESCROW AGENT

Section 2.1. Scope of Responsibility. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Escrow Agreement, which shall be deemed purely ministerial in nature. Under no circumstance will the Escrow Agent be deemed to be a fiduciary to any Party or any other person under this Escrow Agreement. The Escrow Agent will not be responsible or liable for the failure of any Party to perform in accordance with this Escrow Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Escrow Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Agent; and the Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. References in this Escrow Agreement to any other agreement, instrument, or document are for the convenience of the Parties, and the Escrow Agent has no duties or obligations with respect thereto. The Escrow Agent will not be responsible to determine or to make inquiry into any term, capitalized, or otherwise, not defined herein. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred or implied from the terms of this Escrow Agreement or any other agreement.

Section 2.2. Attorneys and Agents. The Escrow Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Escrow Agent in accordance with the advice of counsel or other professionals retained or consulted by the Escrow Agent in respect of the interpretation of this Escrow Agreement and the Escrow Agent's obligations hereunder; provided that such action taken or omitted to be taken by the Escrow Agent does not amount to negligence, material breach, or willful misconduct, and provided that such counsel/professionals are selected with reasonable care. The Escrow Agent shall be reimbursed as set forth in Section 3.1 for any and all compensation (fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agents, representatives, attorneys, custodians, and/or nominees. The Escrow Agent shall not be responsible for the conduct of agents or attorneys appointed by it with reasonable/due care.

Section 2.3. Reliance. The Escrow Agent shall not be liable for any action taken or not taken by it in accordance with the direction or consent of the Parties or their respective agents, representatives, successors, or assigns. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, without further inquiry into the person's or persons' authority. Concurrent with the execution of this Escrow Agreement, the Parties shall deliver to the Escrow Agent Exhibit B-1, Exhibit B-2, and Exhibit B-3, which contain authorized signer designations in Part I thereof.

Section 2.4. Right Not Duty Undertaken. The permissive rights of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as duties.

Section 2.5. No Financial Obligation. No provision of this Escrow Agreement shall require the Escrow Agent to risk or advance its own funds in the performance of its duties or the exercise of its rights under this Escrow Agreement.

ARTICLE 3 PROVISIONS CONCERNING THE ESCROW AGENT

Section 3.1. Indemnification. FHRA shall indemnify, defend and hold harmless the Escrow Agent from and against any and all loss, liability, cost, damage and expense, including, without limitation, attorneys' fees and expenses or other professional fees and expenses which the Escrow Agent may suffer or incur by reason of any action, claim or proceeding brought against the Escrow Agent, arising out of or relating in any way to this Escrow Agreement or any transaction to which this Escrow Agreement relates, unless such loss, liability, cost, damage or expense shall have been finally adjudicated to have been directly caused by the willful misconduct or gross negligence of the Escrow Agent. The provisions of this Section 3.1 shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

Section 3.2. Limitation of Liability. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT, OR (II) SPECIAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

The Parties and Escrow agree that the foregoing waiver, the waiver in the last sentence of Sub. 2.2, and the indemnity provision in Sub. 3.1, above, will not cover or apply to any loss, liability, cost, damage, or expense resulting from the transfer or other movement of Escrow Property that is not in accordance with the disbursement instructions of the Parties as detailed herein (the Parties will reasonably cooperate with Escrow Agent in efforts to recover any such incorrectly-disbursed Escrow Property).

Section 3.3. Resignation or Removal. The Escrow Agent may resign by furnishing written notice of its resignation to the Parties, and the Parties may remove the Escrow Agent by furnishing to the Escrow Agent a joint written notice of its removal along with payment of all fees and expenses to which the Escrow Agent is entitled through the date of removal. Such resignation or removal, as the case may be, shall be effective thirty (30) calendar days after the delivery of such notice or upon the earlier appointment of a successor, and the Escrow Agent's sole responsibility thereafter shall be to safely keep the Escrow Property and to deliver the same to a successor escrow agent as shall be appointed by the Parties, as evidenced by a joint written notice filed with the Escrow Agent or in accordance with a court order. If the Parties have failed to appoint a successor escrow agent prior to the expiration of thirty (30) calendar days following the delivery of such notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Parties.

Section 3.4. Compensation. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule attached hereto as Exhibit C, which compensation shall be paid via Escrow Property in accordance with Section 1.3 above. The fee agreed upon for the services rendered hereunder is intended as full compensation for the Escrow Agent's services as contemplated by this Escrow Agreement; provided, however, that in the event that the conditions for the disbursement of funds under this Escrow Agreement are not fulfilled, or the Escrow Agent renders any service not contemplated in this Escrow Agreement, or there is any assignment of interest in the subject matter of this Escrow Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to this Escrow Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event (except to the extent that Escrow Agent is responsible for such matters under this Escrow Agreement). If any amount due to the Escrow Agent hereunder is not paid within thirty (30) calendar days of the date due, the Escrow Agent in its sole discretion may charge interest on such amount up to the highest rate permitted by applicable law. The Escrow Agent shall have, and is hereby granted, a prior lien upon the Escrow Property with respect to its unpaid fees, non-reimbursed expenses and unsatisfied reimbursement rights, superior to the interests of any other persons or entities and is hereby granted the right to set off and deduct any unpaid fees, non-reimbursed expenses and unsatisfied reimbursement rights from the Escrow Property.

Section 3.5. Disagreements. If any conflict, disagreement or dispute arises between, among, or involving any of the parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Escrow Agreement, or the Escrow Agent is in doubt as to the action to be taken hereunder, the Escrow Agent may, at its option, retain the Escrow Property until the Escrow Agent (i) receives a final non-appealable order of a court of competent jurisdiction or a final non-appealable arbitration decision directing delivery of the Escrow Property, (ii) receives a written agreement executed by each of the parties involved in such disagreement or dispute directing delivery of the Escrow Property, in which event the Escrow Agent shall be authorized to disburse the Escrow Property in accordance with such final court order, arbitration decision, or agreement, or (iii) files an interpleader action in any court of

competent jurisdiction, and upon the filing thereof, the Escrow Agent shall be relieved of all liability as to the Escrow Property so interplead and shall be entitled to recover attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action. Any such court order or arbitration decision shall be accompanied by a written instrument of the presenting Party certifying that such court order or arbitration decision is final, non-appealable and from a court of competent jurisdiction or from a competent arbitration panel, upon which instrument the Escrow Agent shall be entitled to conclusively rely without further investigation. The Escrow Agent shall be entitled to act on any such agreement, court order, or arbitration decision without further question, inquiry, or consent.

Section 3.6. Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Escrow Agreement and shall have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

Section 3.7. Attachment of Escrow Property; Compliance with Legal Orders. In the event that any Escrow Property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Escrow Property, the Escrow Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated. The Escrow Agent shall further have no obligation to pursue any action that is not in accordance with applicable law.

Section 3.8 Force Majeure. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Escrow Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

ARTICLE 4 MISCELLANEOUS

Section 4.1. Binding Agreement, Successors and Assigns. The Parties and Escrow Agent

represent and warrant that the execution and delivery of this Escrow Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Escrow Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms. This Escrow Agreement shall be binding on and inure to the benefit of the Parties and the Escrow Agent and their respective successors and permitted assigns. No other persons shall have any rights under this Escrow Agreement. No assignment of the interest of any of the Parties shall be binding unless and until written notice of such assignment shall be delivered to the other Party and the Escrow Agent and shall require the prior written consent of the other Parties and the Escrow Agent (such consent not to be unreasonably withheld).

Section 4.2. Escheat. The Parties are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to the applicable state. The Escrow Agent shall have no liability to the Parties, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Property escheat by operation of law.

Section 4.3. Notices. All notices, requests, demands, and other communications required under this Escrow Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) on the day of transmission if sent by electronic mail ("e-mail"), as long as such e-mail is accompanied by a PDF signature or similar version of the relevant document bearing an authorized signature, which such signature shall, in the case of each of the parties, be a signature set forth in Exhibit B-1, B-2, or B-3, as applicable to the e-mail address given below, and written confirmation of receipt is obtained promptly after completion of transmission, (iv) by overnight delivery with a reputable national overnight delivery service, or (v) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five (5) Business Days after the date such notice is deposited in the United States mail. For the purpose of this Escrow Agreement, "Business Day" shall mean any day other than a Saturday, a Sunday, a federal or state holiday, and any other day on which the Escrow Agent is closed. If notice is given to a party, it shall be given at the address for such party set forth below. It shall be the responsibility of the Parties to notify the Escrow Agent and the other Party in writing of any name or address changes. In the case of communications delivered to the Escrow Agent, such communications shall be deemed to have been given on the date received by the Escrow Agent.

If to the State:

State of Alaska

Department of Law, Environmental Section

1031 W. 4th Avenue, Suite 200

Anchorage, Alaska 99501

Attention: Steven E. Mulder, Chief Assistant Attorney General

Telephone: (907) 269-6011

Facsimile: (907) 276-3697

E-mail: steve.mulder@alaska.gov

If to the City:

The City of North Pole, Alaska

125 Snowman Lane
North Pole, Alaska 99705
Attention: Mayor
Telephone: 907-488-8584
Facsimile: 907-488-3002
E-mail: mayor@northpolealaska.org

If to FHRA:
Flint Hills Resources Alaska, LLC
4111 East 37th Street North
Wichita, Kansas 67220
Attention: Exec. VP- Operations
Telephone: (316) 828-5860
Facsimile: (316) 828-8748
E-mail: phil.gaarder@fhr.com

If to the Escrow Agent:

Wells Fargo Bank, National Association
1700 Lincoln St, 10th Floor
Denver, CO 80203
Attention: Michael W. McGuire; Corporate, Municipal and Escrow Solutions
Telephone: (303) 863-6425
Facsimile: (303) 863-5023
E-mail: michael.w.mcguire@wellsfargo.com

Section 4.4. Governing Law. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.. The Parties and Escrow Agent submit to the jurisdiction of the state of Alaska and federal courts for or in Fairbanks, Alaska, and agree that any legal action or proceeding relating to this Agreement may be brought in those courts.

Section 4.5. Entire Agreement. This Escrow Agreement and the exhibits hereto set forth the entire agreement and understanding of the parties related to handling of the Escrow Property by Escrow Agent.

Section 4.6. Amendment. This Escrow Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by the Parties and the Escrow Agent.

Section 4.7. Waivers. The failure of any party to this Escrow Agreement at any time or times to require performance of any provision under this Escrow Agreement shall in no manner affect the right at a later time to enforce the same performance. A waiver by any party to this Escrow Agreement of any such condition or breach of any term, covenant, representation, or warranty contained in this Escrow Agreement, in any one or more instances, shall neither be construed as a further or continuing waiver of any such condition or breach nor a waiver of any other condition

or breach of any other term, covenant, representation, or warranty contained in this Escrow Agreement.

Section 4.8. Headings. Section headings of this Escrow Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions of this Escrow Agreement.

Section 4.9. Counterparts. This Escrow Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument. The exchange of copies of this Escrow Agreement and of signature pages by facsimile or by electronic image scan transmission in .pdf format shall constitute effective execution and delivery of this Escrow Agreement as to the Parties and the Escrow Agent and may be used in lieu of the original Escrow Agreement for all purposes.

Section 4.10. Trial by Jury. Each of the parties hereto hereby irrevocably waives all right to trial by jury to the extent permitted by law in any litigation, action, proceeding in any court arising out of, relating to or in connection with this Escrow Agreement.

Section 4.11. Publication; disclosure. By executing this Escrow Agreement, the Parties and the Escrow Agent acknowledge that this Escrow Agreement (including related attachments) contains certain information that is sensitive and confidential in nature and agree that such information needs to be protected from improper disclosure, including the publication or dissemination of this Escrow Agreement and related information to entities not a party to this Escrow Agreement (the Parties and Escrow Agent may make such disclosures to their employees, affiliates, and contractors on a reasonable need-to-know basis, with the disclosing-entity being responsible for ensuring that their disclosees under this sentence treat the information in accordance with this Escrow Agreement). The Parties further agree to take reasonable measures to mitigate any risks associated with the publication or disclosure of this Escrow Agreement and information contained therein, including, without limitation, the redaction of the manual signatures of the signatories to this Escrow Agreement, or, in the alternative, publishing a conformed copy of this Escrow Agreement. If a Party must disclose or publish this Escrow Agreement or information contained therein pursuant to any regulatory, statutory, or governmental requirement, as well as any judicial, or administrative order, subpoena or discovery request, it shall notify in writing the other Parties and the Escrow Agent at the time of execution of this Escrow Agreement of the legal requirement to do so, or, if such obligation is not known at, or arises after, the time of such execution, timely upon learning of such obligation and in any event prior to such disclosure/publication (unless such prior notice is prohibited by applicable law). If any Party becomes aware of any threatened or actual unauthorized disclosure, publication or use of this Escrow Agreement, that Party shall promptly notify in writing the other Party and the Escrow Agent and shall be liable for any unauthorized release or disclosure by or through such notifying-Party. The Parties and Escrow Agent acknowledge that the amounts paid to Escrow Agent by the State and FHRA hereunder and the amounts disbursed to the Parties or designated third parties hereunder, and the timing of any such payments, might be disclosed by the Parties to the public or others in various manners relating to the performance of the Settlement Agreement and the project thereunder, and such disclosures are not a breach of the obligations under this

paragraph. The Parties and the Escrow Agent acknowledge that disclosure of the Escrow Agreement as part of the North Pole City Council approval process (without signatures) and as required thereafter by Alaska's Public Records Act are authorized disclosures under this agreement.

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the date first written above.

The State of Alaska

By: _____

Name: _____

Title: _____

The City of North Pole (Alaska)

By: _____

Name: _____

Title: _____

Flint Hills Resources Alaska, LLC

By: _____

Name: _____

Title: _____

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent

By: _____

Name: _____

Title: _____

EXHIBIT A

**Agency and Custody Account Direction
For Cash Balances
Wells Fargo Money Market Deposit Accounts**

Direction to use the following Wells Fargo Money Market Deposit Accounts for Cash Balances for the escrow account or accounts (the “Account”) established under the Escrow Agreement to which this Exhibit A is attached.

Escrow Agent is hereby directed to deposit, as indicated below, or as the Parties shall direct further in writing from time to time, all cash in the Account in the following money market deposit account of Wells Fargo Bank, National Association:

Wells Fargo Money Market Deposit Account (MMDA)

The Parties understand that amounts on deposit in the MMDA are insured, subject to the applicable rules and regulations of the Federal Deposit Insurance Corporation (FDIC), in the basic FDIC insurance amount of \$250,000 per depositor, per insured bank. This includes principal and accrued interest up to a total of \$250,000.

The Parties acknowledge that they have full power to direct investments of the Account.

The Parties understand that the Parties jointly may change this direction at any time and that it shall continue in effect until revoked or modified by the Parties by written notice to Escrow Agent.

EXHIBIT B-1

The State of Alaska certifies that the names, titles, telephone numbers, e-mail addresses and specimen signatures set forth in Parts I and II of this Exhibit B-1 identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of the State of Alaska, and that the option checked in Part III of this Exhibit B-1 is the security procedure selected by the State of Alaska for use in verifying that a funds transfer instruction received by the Escrow Agent is that of the State of Alaska.

The State of Alaska has reviewed each of the security procedures and has determined that the option checked in Part III of this Exhibit B-1 best meets its requirements; given the size, type and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part III of this Exhibit B-1, The State of Alaska acknowledges that it has elected to not use the other security procedures described and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by the State of Alaska.

NOTICE: The security procedure selected by the State of Alaska will not be used to detect errors in the funds transfer instructions given by the State of Alaska. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that the State of Alaska take such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to the Escrow Agent.

Part I

Name, Title, Telephone Number, Electronic Mail ("e-mail") Address and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of the State of Alaska

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>	<u>Specimen Signature</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Part II

Name, Title, Telephone Number and E-mail Address for person(s) designated to confirm funds transfer instructions

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Part III

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

- ☐ Option 1. Confirmation by telephone call-back. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part II above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit B-1.
- ☐ CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by e-mail, as described in Option 2.
- ☐ Option 2. Confirmation by e-mail. The Escrow Agent shall confirm funds transfer instructions by e-mail to a person at the e-mail address specified for such person in Part II of this Exhibit B-1. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit B-1. The State of Alaska understands the risks associated with communicating sensitive matters, including time sensitive matters, by e-mail. The State of Alaska further acknowledges that instructions and data sent by e-mail may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.
- ☐ CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by e-mail, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.
- ☐ *Option 3. Delivery of funds transfer instructions by password protected file transfer system only - no confirmation. The Escrow Agent offers the option to deliver funds transfer instructions through a password protected file transfer system. If the State of Alaska wishes to use the password protected file transfer system, further instructions will be provided by the Escrow Agent. If the State of Alaska chooses this Option 3, it agrees that no further confirmation of funds transfer instructions will be performed by the Escrow Agent.
- ☐ *Option 4. Delivery of funds transfer instructions by password protected file transfer system with confirmation. Same as Option 3 above, but the Escrow Agent shall confirm funds transfer instructions by ☐ telephone call-back or ☐ e-mail (must check at least one, may check both) to a person at the telephone number or e-mail address designated on Part II above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

**The password protected file system has a password that expires every 60 days. If you anticipate having infrequent activity on this account, please consult with your Escrow Agent before selecting this option.*

Dated this ____ day of _____, 20__.

By _____

Name:

Title:

EXHIBIT B-2

The City of North Pole certifies that the names, titles, telephone numbers, e-mail addresses and specimen signatures set forth in Parts I and II of this Exhibit B-2 identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of the City of North Pole, and that the option checked in Part III of this Exhibit B-2 is the security procedure selected by the City of North Pole for use in verifying that a funds transfer instruction received by the Escrow Agent is that of the City of North Pole.

The City of North Pole has reviewed each of the security procedures and has determined that the option checked in Part III of this Exhibit B-2 best meets its requirements; given the size, type and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part III of this Exhibit B-2, the City of North Pole acknowledges that it has elected to not use the other security procedures described and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by the City of North Pole.

NOTICE: The security procedure selected by the City of North Pole will not be used to detect errors in the funds transfer instructions given by the City of North Pole. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that the City of North Pole take such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to the Escrow Agent.

Part I

Name, Title, Telephone Number, Electronic Mail ("e-mail") Address and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of the City of North Pole

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>	<u>Specimen Signature</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Part II

Name, Title, Telephone Number and E-mail Address for person(s) designated to confirm funds transfer instructions

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Part III

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

- ☐ Option 1. Confirmation by telephone call-back. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part II above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit B-2.
- ☐ CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by e-mail, as described in Option 2.
- ☐ Option 2. Confirmation by e-mail. The Escrow Agent shall confirm funds transfer instructions by e-mail to a person at the e-mail address specified for such person in Part II of this Exhibit B-2. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit B-2. The City of North Pole understands the risks associated with communicating sensitive matters, including time sensitive matters, by e-mail. The City of North Pole further acknowledges that instructions and data sent by e-mail may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.
- ☐ CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by e-mail, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.
- ☐ *Option 3. Delivery of funds transfer instructions by password protected file transfer system only - no confirmation. The Escrow Agent offers the option to deliver funds transfer instructions through a password protected file transfer system. If [“_____”] wishes to use the password protected file transfer system, further instructions will be provided by the Escrow Agent. If the City of North Pole chooses this Option 3, it agrees that no further confirmation of funds transfer instructions will be performed by the Escrow Agent.
- ☐ *Option 4. Delivery of funds transfer instructions by password protected file transfer system with confirmation. Same as Option 3 above, but the Escrow Agent shall confirm funds transfer instructions by ☐ telephone call-back or ☐ e-mail (must check at least one, may check both) to a person at the telephone number or e-mail address designated on Part II above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

**The password protected file system has a password that expires every 60 days. If you anticipate having infrequent activity on this account, please consult with your Escrow Agent before selecting this option.*

Dated this ____ day of _____, 20__.

By _____

Name:

Title:

EXHIBIT B-3

Flint Hills Resources Alaska, LLC certifies that the names, titles, telephone numbers, e-mail addresses and specimen signatures set forth in Parts I and II of this Exhibit B-2 identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of Flint Hills Resources Alaska, LLC, and that the option checked in Part III of this Exhibit B-2 is the security procedure selected by Flint Hills Resources Alaska, LLC for use in verifying that a funds transfer instruction received by the Escrow Agent is that of the Flint Hills Resources Alaska, LLC.

Flint Hills Resources Alaska, LLC has reviewed each of the security procedures and has determined that the option checked in Part III of this Exhibit B-3 best meets its requirements; given the size, type and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part III of this Exhibit B-3, Flint Hills Resources Alaska, LLC acknowledges that it has elected to not use the other security procedures described and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by Flint Hills Resources Alaska, LLC.

NOTICE: The security procedure selected by Flint Hills Resources Alaska, LLC will not be used to detect errors in the funds transfer instructions given by Flint Hills Resources Alaska, LLC. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that Flint Hills Resources Alaska, LLC take such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to the Escrow Agent.

Part I

Name, Title, Telephone Number, Electronic Mail ("e-mail") Address and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of Flint Hills Resources Alaska, LLC

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>	<u>Specimen Signature</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Part II

Name, Title, Telephone Number and E-mail Address for person(s) designated to confirm funds transfer instructions

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>
_____	_____	_____	_____
_____	_____	_____	_____

Part III

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

- ☐ Option 1. Confirmation by telephone call-back. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part II above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit B-3.
- ☐ CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by e-mail, as described in Option 2.
- ☐ Option 2. Confirmation by e-mail. The Escrow Agent shall confirm funds transfer instructions by e-mail to a person at the e-mail address specified for such person in Part II of this Exhibit B-3. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit B-3. Flint Hills Resources Alaska, LLC understands the risks associated with communicating sensitive matters, including time sensitive matters, by e-mail. Flint Hills Resources Alaska, LLC further acknowledges that instructions and data sent by e-mail may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.
- ☐ CHECK box, if applicable:
If the Escrow Agent is unable to obtain confirmation by e-mail, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.
- ☐ *Option 3. Delivery of funds transfer instructions by password protected file transfer system only - no confirmation. The Escrow Agent offers the option to deliver funds transfer instructions through a password protected file transfer system. If Flint Hills Resources Alaska, LLC wishes to use the password protected file transfer system, further instructions will be provided by the Escrow Agent. If Flint Hills Resources Alaska, LLC chooses this Option 3, it agrees that no further confirmation of funds transfer instructions will be performed by the Escrow Agent.
- ☐ *Option 4. Delivery of funds transfer instructions by password protected file transfer system with confirmation. Same as Option 3 above, but the Escrow Agent shall confirm funds transfer instructions by ☐ telephone call-back or ☐ e-mail (must check at least one, may check both) to a person at the telephone number or e-mail address designated on Part II above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

**The password protected file system has a password that expires every 60 days. If you anticipate having infrequent activity on this account, please consult with your Escrow Agent before selecting this option.*

Dated this ____ day of _____, 20__.

By _____

Name:

Title:

EXHIBIT C

FEES OF ESCROW AGENT

Corporate Trust Services

Schedule of fees to provide escrow agent services

Flint Hills Resources Alaska, LLC / State of Alaska / City of North Pole Escrow Account

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A one-time fee for our initial review of governing documents, account set-up and customary duties and responsibilities related to the closing. This fee is payable at closing.

Annual administration fee	\$7,500.00
----------------------------------	-------------------

An annual fee for customary administrative services provided by the escrow agent, including daily routine account management; cash management transactions processing (including wire and check processing), disbursement of funds in accordance with the agreement and providing account statements to the parties. The administration fee is payable annually in advance per escrow account established. The first installment of the administrative fee is payable at closing.

Out-of-pocket expenses	At cost
-------------------------------	----------------

Out-of-pocket expenses will be billed as incurred at cost at the sole discretion of Wells Fargo.

Extraordinary services	Standard rate
-------------------------------	----------------------

The charges for performing services not contemplated at the time of execution of the governing documents or not specifically covered elsewhere in this schedule will be at Wells Fargo's rates for such services in effect at the time the expense is incurred. The review of complex tax forms, including by way of example but not limited to IRS Form W-8IMY, shall be considered extraordinary services.

Assumptions

This proposal is based upon the following assumptions with respect to the role of escrow agent:

- Number of escrow accounts to be established: One (1)
- Amount of escrow: \$50,000,000.00
- Term of escrow: Two (2) years
- Number of parties to the transaction: Four (4) including the Escrow Agent
- Number of cash transactions (deposits/disbursements): One (1) deposit / two (2) disbursements per month
- Fees quoted assume all transaction account balances will be held uninvested or invested in select Wells Fargo deposit products.
- Disbursements shall be made only to the parties specified in the agreement. Any payments to other parties are at the sole discretion and subject to the requirements of Wells Fargo and shall be considered extraordinary services.

Terms and conditions

- The recipient acknowledges and agrees that this proposal does not commit or bind Wells Fargo to enter into a contract or any other business arrangement, and that acceptance of the appointment described in this proposal is expressly conditioned on (1) compliance with the requirements of the USA Patriot Act of 2001, described below, (2) satisfactory completion of Wells Fargo's internal account acceptance procedures, (3) Wells Fargo's review of all applicable governing documents and its confirmation that all terms and

conditions pertaining to its role are satisfactory to it and (4) execution of the governing documents by all applicable parties.

- Should this transaction fail to close or if Wells Fargo determines not to participate in the transaction, any acceptance fee and any legal fees and expenses may be due and payable.
- Legal counsel fees and expenses, any acceptance fee and any first year annual administrative fee are at closing.

Corporate Trust Services

Schedule of fees to provide escrow agent services

Flint Hills Resources Alaska, LLC / State of Alaska / City of North Pole Escrow Account

2

- Any annual fee covers a full year or any part thereof and will not be prorated or refunded in a year of early termination.
- Should any of the assumptions, duties or responsibilities of Wells Fargo change, Wells Fargo reserves the right to affirm, modify or rescind this proposal.
- The fees described in this proposal are subject to periodic review and adjustment by Wells Fargo.
- Invoices outstanding for over 30 days are subject to a 1.5% per month late payment penalty.
- This fee proposal is good for 90 days.

Important information about identifying our customers

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person (individual, corporation, partnership, trust, estate or other entity recognized as a legal person) for whom we open an account.

What this means for you: Before we open an account, we will ask for your name, address, date of birth (for individuals), TIN/EIN or other information that will allow us to identify you or your company. For individuals, this could mean identifying documents such as a driver's license. For a corporation, partnership, trust, estate or other entity recognized as a legal person, this could mean identifying documents such as a Certificate of Formation from the issuing state agency.

125 Snowman Lane
North Pole, Alaska 99705
(907) 488-8593 (907) 488-3002 (fax)
bill.butler@northpolealaska.org

City of North Pole
Director of City Services

Memo

To: City Council
From: Bill Butler
Date: September 13, 2017
Subject: Write-off a delinquent utility debt

Recommendation:

Write-off a delinquent utility debt that the Utility has been unable to collect. The total uncollectable debt totals \$1,340.85

Background

The Utility has exhausted the options available to it to collect a delinquent debts for a utility account. Because the Utility is second behind the mortgage company that currently owns the property, the Utility's likelihood of collecting on this debt is uncertain. A confidential report will be distributed at the September 18 City Council meeting. The City Attorney has reviewed the account and steps taken to collect the debt. She has approved writing off the delinquent debt.

Attached is a summary with identifying information obscured of the steps the Utility has taken to try to collect this debt.

September 12, 2017

RE: Write off request

; Blanket Blvd

- 90 days delinquent was reached on 9/9/2015. Notice was sent by Renee.
- Lien was placed on the property 12/4/2015 by Renee
- Amended Lien was placed on the property 09/08/16 for \$1255.57 by Jamie
- Account sent to Zane on 9/13/2016 by Jamie
- Disconnection notice was placed on the property on 9/23/2016 with a cutoff date of 9/27/2016. I [Jamie] attempted to call but all phone numbers listed on account were disconnected. -Jamie
- Notice was pulled by Utilities due to lack of equipment to complete the disconnect and was replaced on the property on 9/30/2016- Jamie
- On 9/30/2016 a notice from Carrington Home Solutions Management Company was placed on the residence. I called the number on the notice and let them know about the disconnect door hanger and the payment due date of 10/4/16 by 5pm. They stated that they only handle maintenance of the property and that the property is being foreclosed on and they do not have any contact info for the foreclosure. I explained that we will dig up the property to disconnect the line and they stated "I wouldn't know what to do about that and I don't have anyone to refer you to." -Jamie
- On 10/12/2016 the water line was dug up and disconnected at the main locator ball install. We let Zane's office know of this action and they would contact us back when they had more info on what we can do legally with the prior documentation submitted to them. -Jamie
- 5/4/17 we received notice from the attorney's that our lien was junior and that we would not be able to collect on the lien/balance for the property. See attached. -Jamie

The account continues to sit as delinquent and incur late fees. The current balance is \$1340.85. At this time, we would like to write off the balance as it is uncollectable per our attorney. In the chance that we do get "some or all" funds due to excess sales proceeds from the foreclosure, we can manually back-bill the account and apply the funds towards the balance.

SCALE: 1"=150'

PRELIMINARY PLAT
BROOKSIDE PARK

A SUBDIVISION OF
TRACT B OF NORTH STAR II SUBDIVISION (PLAT #2010-81)
AND TRACT A-1 OF NORTH STAR II BUZZY (PLAT #2013-26)

LOCATION: WITHIN SEC 15, T.25, R.2E, F.M. AK.

OWNER: AINLE INTERNATIONAL MEMORIAL FUND LLC
P.O. BOX 56881
NORTH POLE, AK 99705

SURVEYOR: NORTLAND SURVEYING & CONSULTING LLC
(907) 326 DRIVEWAY STREET STE 102
451-7411 FAIRBANKS, ALASKA 99701

FAIRBANKS RECORDING DISTRICT

F.N.S.B. #: NA DESIGNED: JK CHECKED:
SCALE: 1" = 150' DRAWN: PH DATE: 8-24-2017

SHEET 1 OF 2

PHASING:

PHASE 1: DEDICATION OF A PORTION
OF PSALMS BLVD, BLANKET BLVD &
TRACTS A, B, C, D, E, F & G

PHASE 2: LOTS 1-15 & DEDICATION
OF HALLELUJAH COURT.

PHASE 3: LOTS 16-21

PHASE 4: LOTS 22-33

PHASE 5: LOTS 34-46 & DEDICATION
OF THE REMAINDER OF PSALMS BLVD
& SELAH COURT



VICINITY MAP

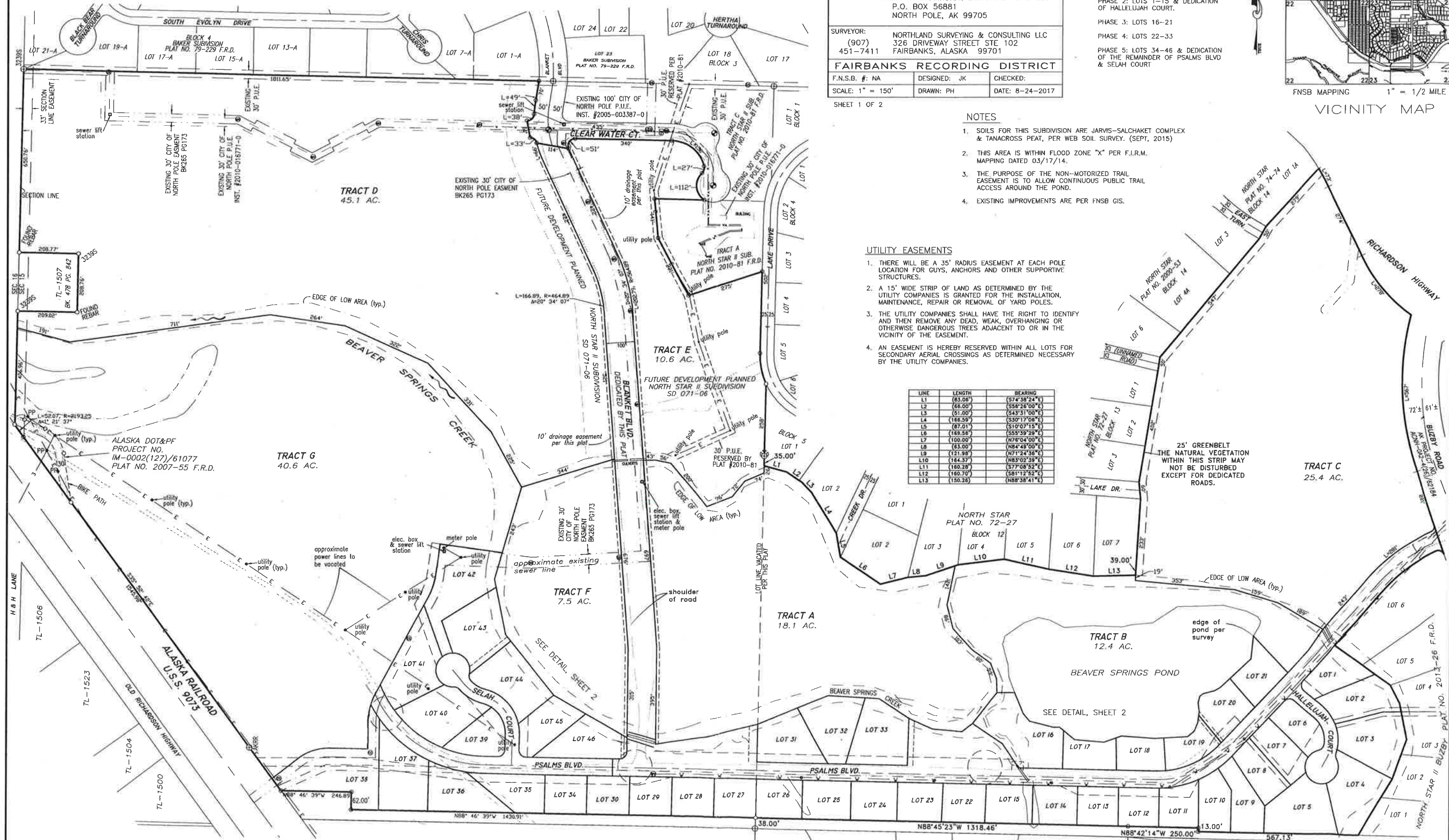
NOTES

- SOILS FOR THIS SUBDIVISION ARE JARVIS-SALCHAKET COMPLEX & TANACROSS PEAT, PER WEB SOIL SURVEY. (SEPT, 2015)
- THIS AREA IS WITHIN FLOOD ZONE "X" PER F.I.R.M. MAPPING DATED 03/17/14.
- THE PURPOSE OF THE NON-MOTORIZED TRAIL EASEMENT IS TO ALLOW CONTINUOUS PUBLIC TRAIL ACCESS AROUND THE POND.
- EXISTING IMPROVEMENTS ARE PER FNSB GIS.

UTILITY EASEMENTS

- THERE WILL BE A 35' RADIUS EASEMENT AT EACH POLE LOCATION FOR GUYS, ANCHORS AND OTHER SUPPORTIVE STRUCTURES.
- A 15' WIDE STRIP OF LAND AS DETERMINED BY THE UTILITY COMPANIES IS GRANTED FOR THE INSTALLATION, MAINTENANCE, REPAIR OR REMOVAL OF YARD POLES.
- THE UTILITY COMPANIES SHALL HAVE THE RIGHT TO IDENTIFY AND THEN REMOVE ANY DEAD, WEAK, OVERHANGING OR OTHERWISE DANGEROUS TREES ADJACENT TO OR IN THE VICINITY OF THE EASEMENT.
- AN EASEMENT IS HEREBY RESERVED WITHIN ALL LOTS FOR SECONDARY AERIAL CROSSINGS AS DETERMINED NECESSARY BY THE UTILITY COMPANIES.

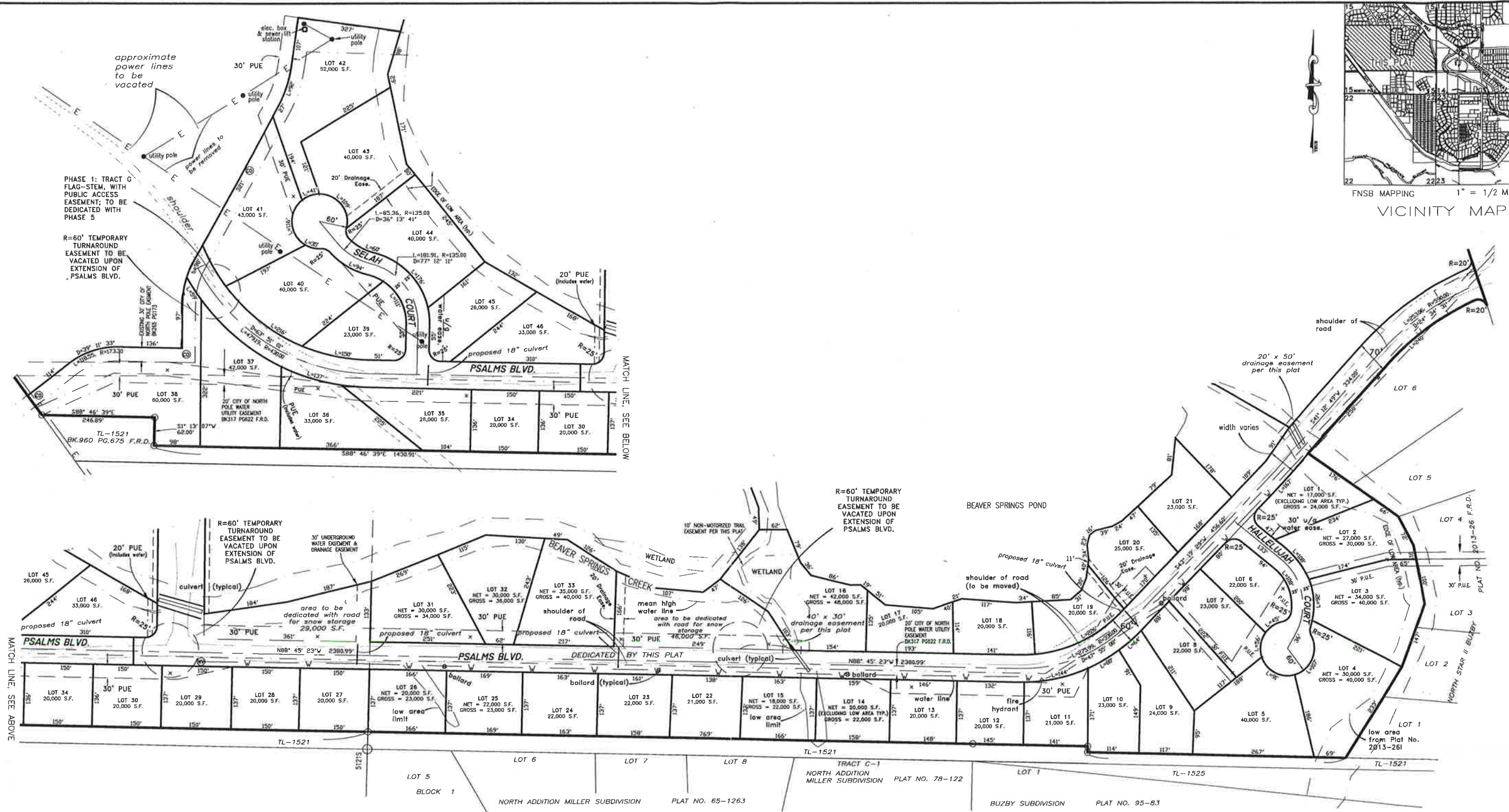
LINE	LENGTH	BEARING
L1	(83.06')	(S74°38'24"E)
L2	(66.00')	(S56°26'00"E)
L3	(51.00')	(S43°31'00"E)
L4	(168.59')	(S39°17'08"E)
L5	(87.01')	(S10°07'15"E)
L6	(169.52')	(S55°39'28"E)
L7	(100.00')	(N76°04'00"E)
L8	(63.00')	(N84°49'00"E)
L9	(121.99')	(N72°24'58"E)
L10	(164.37')	(N83°02'39"E)
L11	(160.28')	(S77°08'52"E)
L12	(160.70')	(S81°12'52"E)
L13	(150.26')	(N88°38'41"E)



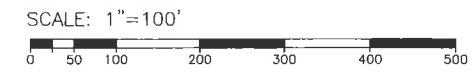
FILE COPY



VICINITY MAP



FILE COPY



PRELIMINARY PLAT BROOKSIDE PARK A SUBDIVISION OF TRACT B OF NORTH STAR II SUBDIVISION (PLAT #2010-81) AND TRACT A-1 OF NORTH STAR II BUZBY (PLAT #2013-26)		
LOCATION: WITHIN SEC 15, T.2S, R.2E, F.M. AK.		
OWNER: AINLEY INTERNATIONAL MEMORIAL FUND LLC P.O. BOX 56881 NORTH POLE, AK 99705		
SURVEYOR: NORTHLAND SURVEYING & CONSULTING LLC (907) 326 DRIVEWAY STREET STE 102 451-7411 FAIRBANKS, ALASKA 99701		
FAIRBANKS RECORDING DISTRICT		
F.N.S.B. #: NA	DESIGNED: JK	CHECKED:
SCALE: 1" = 100'	DRAWN: PH	DATE: 8-24-2017

DEVELOPMENT AGREEMENT
FOR THE
Brookside Park



By and Between the

CITY OF NORTH POLE, ALASKA

And

Ainley International Memorial Fund, LLC ("AIMF")
DBA: North Star Developers

2017

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Appendix 'E' – Storm water plan (if required)	Page 18
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Attachments:

Design and Construction Guidelines for the City of North Pole (“CONP”)
Street and Drainage Systems

Drainage Plan for Brookside Park

Typical Road Sections for Brookside Park

Proposed Preliminary Plat for Brookside Park

Memorandum of Agreement “MOA”: City of North Pole Mayor or designee will solicit bids for a MOA for road plan review and inspection services, for each phase, beginning with phase two. After an agreement is reached between the City of North Pole, third party inspector/s and the Developer, the signed MOA will be part of this agreement.

Brookside Park

THIS AGREEMENT, made this 18th of September, 2017, between the CITY OF NORTH POLE, 125 Snowman Ln, North Pole, Alaska, 99705, a municipal corporation of the State of Alaska, hereinafter referred to as the "CITY", and North Star Developers, PO Box 56881, North Pole, Alaska 99705, their heirs and assigns, hereinafter referred to as the "DEVELOPER".

The CITY and the Developer, in consideration of their mutual covenants herein, make this agreement which solely concerns the public improvements which are to be constructed by the Developer for the City and conveyed to the City and private improvements to be owned and maintained by the Developer, if the Developer complies with this Agreement. The Developer will, in addition, have to comply with other City Codes, for example Building and Fire Codes.

SECTION 1. THE DEVELOPER:

1.05 The Developer shall design and install the proposed improvements as herein described, in conformance with the North Pole Code of Ordinances, Chapters 12, Streets sidewalks and public places, and all requirements and specifications of the Design and Construction Guidelines for the City of North Pole Street and Drainage System, or approved design as submitted in this agreement and approved by the City. Any variance to City standards shall be clearly identified and provide justification for the variance. See attachments for road utility construction variances. All documents are attached to this Agreement, incorporating them as part of the Agreement.

1.10 The Developer shall provide one hundred percent (100%) of the funding for the design and construction of all improvements required by this Agreement.

1.15 In addition, the Developer shall pay the City one hundred percent (100%) for all of the associated expenses incurred by the City, including costs for preparation of this developer's agreement, and review, plan check, test, administration, and inspection of these improvements. City labor / administration costs are estimated to be \$20,802 and are billed as a reimbursable cost through an agreement with an engineering firm of the City's choice. See attachments for MOA with Scantec Consulting Services, Inc. for plan review and inspection services of roads. The effective start date of the billings will be September 22, 2017. All these costs shall be paid promptly upon billing and by the 31st of December of the year in which they accrued and before acceptance of the improvements by the City. City billings are anticipated to be on a quarterly basis.

1.20 The Developer shall be responsible for the maintenance of all improvements covered by this agreement until acceptance tests are satisfactorily completed and written approval is given by the City and the council accepts ownership of the improvements.

1.25 Brookside Park is a multi-phased project¹ consisting of over 200 acres, thus each stage will be carried out incrementally² with the first phase, consisting of Tracts A, B, C, D, E, F and Tract G^{3,4}. This initial 1st phase is to replat the two large parcels⁵ into six tracts⁶ and dedicate the balance of Blanket Blvd. and Psalms Blvd. from Buzby Road to the southern intersection of Blanket Blvd., to the City. After the road surfaces are completed, to the agreed City standards, their maintenance will be handed over to the City.

It is not uncommon for a City to hold land in lieu of a cash bond to encourage land development. Development increases City cash flow, thus is a win/win situation for the Developer and City. This holds a Developer asset captive until improvements are completed and provides a level of protection during the construction process. In lieu of a performance bond, the Developer desires the option to furnish a warranty deed to a parcel of land within the City. The parcel assessed value shall be in a range of \$330,000 to \$400,000, the estimated total cost of completing public improvements for phase two, plus City administration costs as established by the Mayor or Mayor's designee. The Developer is guaranteeing completion of the public improvements before the final plat is submitted, to the Fairbanks North Star Borough ("FNSB"), to the satisfaction of the City. The warranty deed will be signed by the Developer and held by Yukon Title, but not recorded. The City will release the bond, after the improvements meet agreed City standards. Should the Developer desire to have the bond transferred to another parcel, or to replace it with a cash bond, the Developer agrees to maintain the security needed by the City. The Developer must satisfy an adjusted amount not less than the uncompleted improvement remaining. The amount must be agreed to by the Mayor or his designee. Each phase will have a bond amount established and agreed on by the Mayor or his designee.

In the event the City or Developer decide on a cash bond, the Developer shall purchase a bond guaranteeing completion of the public improvements to the satisfaction of the City, dedicated for City use to complete the public improvements should the Developer's contractor fail to satisfactorily do so as agreed. The bond amount shall be the estimated total cost of public improvements plus City administration costs as established by the Mayor or Mayor's designee based on Developer bids.

The City will relinquish its rights to the warranty deed upon satisfactory completion of the improvements and acceptance by City Council.

1.3 The Developer shall submit to the City three (3) complete copies of all engineering reports, plans, specifications and materials lists including design assumptions and calculations. A deposit of \$1,000 shall be paid for by the developer for the cost to the City for administrating the project that includes, but is not limited to, reviewing, plan checking, testing and inspecting. This deposit

¹ See Appendix C, Completion Schedule

² See attached Brookside Park plat showing initial phases 1-5. The cost to develop each phase will vary thus the land to be held, in lieu of bond, will be established according to the estimated cost to carry out street work for that specific phase.

³ Tract G consists of approximately 40 acres. It is a planned source for dirt and gravel. The Developer has a Purchase Option on Tract G, should the Buyer exercise his option the Developer will provide the Buyer of Tract G a 'license of use' for Psalms Blvd prior to acceptance by the City. Streets within Tract G are private.

⁴ The City has keys to gates to maintain their easements and utilities. The gates protect City assets and Developer investments from destruction and thief. The gates will remain in place, until maintenance is handed over to the City.

⁵ See Appendix 'A' – Legal Description

⁶ The Trustees of the David Ainley Revocable Trust established a development plan which was approved by a Fairbanks District Court judge.

is not to be construed as an estimate and the Developer will be billed for actual costs associated with this project per Section 1.15. No work shall be permitted to begin until the overall engineering report for all improvements, public and non-public, and the final plans and specifications have been reviewed and approved in writing by the Mayor or Mayor's designee.

The Developer shall submit, to the Mayor or Mayor's designee, a proposed schedule. All proposed changes to approved engineering reports, plans, specifications and materials lists shall be submitted in a reasonable length of time prior to starting construction of the affected portion of the project. Construction of any changes shall not commence until approval is given in writing. Subsequent to approval, all changes will be incorporated into the As-built drawings. Submittal of additional materials after commencement of this agreement may incur additional charges that will be billed at the cost of the developer.

1.35 The Developer hereby agrees to grant to the City access to all portions of the property specified in Appendix 'A' or private easement, permit area, etc. which is necessary to accomplish any inspections, surveillance, testing, or any other work to be performed by the City. The actual work schedule will be provided to the City by the Developer. Any changes in the schedule require at least forty-eight (48) hours advance notification to the City. A minimum of seven (7) days written notice is required for any connections to the City's existing facilities.

1.40 All necessary permits, licenses and reservations or easements shall be acquired by the Developer. Drainage reservations or easements will be acquired in the name of the City of North Pole or in a manner that assigns the reservations or easements to the City of North Pole before acceptance of the improvements by the City. Such reservations or easements shall include permit(s) from appropriate governmental authorities to cover all improvements on government land or within their jurisdiction.

1.45 The Developer shall comply with all applicable statutes, ordinances, rules and regulations of federal, state and governmental agencies. Copies of all pertinent approval letters, permits, licenses and rights of way shall be transferred to the City upon acceptance of the public improvements by the City.

1.50 The Developer will also provide copies of proposed utility plans. Utility facilities will be located to the satisfaction of the City. Each utility is subject to a City right of way permit.

1.55 Permitting of City water and sewer utilities must satisfy the City Utility guidelines [list construction guidelines reference here] or approved design as submitted in this agreement and approved by the City. Any variance to City standards shall be clearly identified and provide justification for the variance with engineering documentation.

1.60 In lieu of a one (1) year warranty bond and before acceptance of the public improvements by the City, the Developer desires the option to furnish a warranty deed to a parcel of land within the City. The parcel assessed value shall be not less than five percent (5%) of the estimated cost of the public improvements, as established by the Mayor or Mayor's designee, for the phase which the Developer desires the City to accept. The warranty deed will be signed by the Developer and held by Yukon Title but not recorded.

In the event the City or Developer decide on a cash bond, before acceptance by the City, the Developer shall furnish a one (1) year warranty bond equal to five percent (5%) of the public improvement which the Developer desires the City to accept.

The Mayor or Mayor's designee shall not recommend acceptance of the public improvements by the City Council until all performance deficiencies have been corrected to his satisfaction and all outstanding liens or claims of laborers, materials suppliers, subcontractors, or others arising out of the performance of these improvements have been satisfied.

1.65 The Developer shall complete all improvements required by this Agreement according to the schedule set forth in Appendix C. The Mayor or Mayor's designee may at their discretion allow extensions for up to a total maximum of one (1) year. Acts of God, inclement weather, governmental regulations, labor disputes, fires, required extra work, or any delay totally beyond the control of the Developer may justify an extension of time. All time extensions requested by the Developer shall be made to the City in writing on or before the tenth day following the day in which the alleged delay is said to have occurred. The City shall not be liable for costs incurred by these delays.

1.70 The Developer shall warranty the design, construction and materials utilized in all improvements outlined in this Agreement for one (1) year from the date of acceptance of the improvements by the City Council. The Developer shall remedy at his/her own expense any failure or defect in the work or any failure of any improvement to properly function which is due to design deficiencies, construction deficiencies, faulty materials or workmanship.

1.75 Correction of the deficiencies shall be completed to the City's satisfaction within 30 days of written notification by the City. The warranty bond will be released upon satisfactory correction of all deficiencies of the City's year end warranty inspection if any security remains from default to warranty obligations. Emergency repairs may be completed by City forces and the cost shall be borne by the Developer.

1.80 The Developer shall hold the City harmless and defend the City from any and all claims arising out of, or incidental to the design, construction or operation by the Developer contemplated by terms of this Agreement by the Developer. The Developer shall not be liable for acts of the City. This section does not create any third party rights and any immunity or defense the City is entitled to shall be available to the Developer in any suit brought by third parties which in any way involved the Development Agreement.

1.85 The Developer shall retain a qualified engineer, licensed by the State of Alaska, to design and review the construction of said improvements including approving any changes and modifications of the design. "As-Built" drawings stamped and signed by a professional engineer and professional land surveyor will be provided to and approved by the City prior to acceptance. It is understood and agreed said engineer and surveyor are agents of and solely responsible to the Developer, and is in no sense whatsoever the agents of the City.

1.90 The Developer shall coordinate the design and construction with the adjacent and affected property owners. Seven (7) days' notice shall be provided prior to commencement of construction to those impacted by this project.

1.95 The Developer shall convey the ownership of the public improvements, described in Appendix 'B', to the City of North Pole upon acceptance. The form of the conveyance shall be as approved by the City Attorney. Only these improvements, if accepted by the City, shall be maintained by the City.

SECTION 2. THE CITY:

2.10 The City shall review and approve (when acceptable) the submitted engineering reports, plans, specifications and materials lists prior to construction and inspection of the project. Final approval is required by Mayor or Mayor's designee prior to Notice to Proceed.

2.20 This Agreement does not obligate the City to finance any portion of the public improvements nor accept, operate or maintain any public improvements not constructed or inspected to City standards or design agreed to in this document.

2.30 Upon acceptance of the public improvements by the City Council, the City will take over ownership and operation of the public improvements detailed in this Agreement. City maintenance of these improvements will not begin until this time. The final acceptance inspection by the City of the public improvements detailed in this agreement will be conducted by the Mayor or Mayor's designee, and representatives from other government agencies and the City as appropriate.

SECTION 3. APPENDICES:

3.10 This Agreement shall include all appendices and attachments referenced and such are incorporated herein as though fully set out herein. This Agreement is composed of the Development Agreement, attachments, and the following appendices:

APPENDIX 'A' Legal Description

APPENDIX 'B' Public Improvements to be conveyed to the City

APPENDIX 'C' Completion Schedule

APPENDIX 'D' Traffic control plan

APPENDIX 'E' Storm water plan (if required)

APPENDIX 'F' Temporary Roadway Maintenance Agreement

SECTION 4. GENERAL:

4.10 This Agreement shall not diminish the requirements of the Fairbanks North Star Borough (FNSB) or non-city, governmental agencies.

4.20 If the Developer should fail to repair property or facilities owned by the City which were damaged by the Developer, or his/her agents, or if the Developer makes changes in construction covered by this Agreement without approval by the City, the City, after three (3) days written notice to the Developer, can make such repairs or remove such changes at the expense of the Developer.

4.30 If the City determines the construction of an improvement does not comply with the plans and specifications as approved by the City, the City shall issue a written notice to the Developer specifying the deficiencies and may stop all further construction involving the work found to be non-complying. This stop work order shall remain in effect until the Developer has made all necessary arrangements to remedy the non-compliance and to provide assurances such non-compliance shall not again occur. All damages, loss, expense incurred by any party as the result of a stop order imposed by the City shall not be the responsibility of the City.

4.40 The Mayor or Mayor's designee may authorize representatives (hereafter referred to as the Representative) to inspect all work done and all materials furnished for all improvements specified in this Agreement. The Representative shall have authority to reject materials or work, but the Mayor or Mayor's designee shall have final authority for deciding if the Developer's work and materials are acceptable. The Representative is not authorized to revoke, alter, enlarge, relax, or release any requirements of the plans and specifications, nor to approve or accept any portion of the work, nor to issue instructions contrary to the Agreement, nor act as supervisor for the Developer. The presence or absence of the Representative does not relieve the Developer from his/her obligation to perform all contract requirements and work shall not be deemed acceptable just by the reason of the presence of the Representative.

In Witness Whereof, This Agreement is made and entered into on the day and year first written above:

Developer: Ainley International Memorial Fund, LLC, DBA: North Star Developers

Managers

By: _____ Date: _____
Gerald Koerner, General Manager

By: _____ Date: _____
Jess Garn, Assistant Manager

By: _____ Date: _____
Alan Corrick, Deputy Manager

Owner: City of North Pole

Approved By: _____ Attest: _____
Bryce J. Ward, City Mayor Kathy Weber, City Clerk
Date _____

Approved As To Form: _____
Zane Wilson, City Attorney
Date _____

City Acknowledgment

State of Alaska)
) ss
Fourth Judicial District)

THIS IS TO CERTIFY that on this _____ day of _____, 20__, before me, the undersigned, a NOTARY PUBLIC in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Bryce J. Ward, known to me to be the City Mayor of the City of North Pole, the municipal corporation named in the foregoing instrument, and that they signed the same under authority of said municipal corporation as the free and voluntary act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and affixed my official seal the day and year above written.

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

Developer Acknowledgment #1

State of Alaska)
) ss
Fourth Judicial District)

THIS IS TO CERTIFY that on this _____ day of _____, 20__, before me, the undersigned, a NOTARY PUBLIC in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Gerald Koerner known to me to be the person named in and who executed the foregoing instrument, and that he signed the same as the free and voluntary act and deed of North Star Developers with full knowledge of its contents for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have set my hand and affixed my official seal the day and year above written.

NOTARY PUBLIC:
Commission Expires: _____

Developer Acknowledgment #2

State of Alaska)
) ss
Fourth Judicial District)

THIS IS TO CERTIFY that on this _____ day of _____, 20____, before me, the undersigned, a NOTARY PUBLIC in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Jesse Garn known to me to be the person named in and who executed the foregoing instrument, and that he signed the same as the free and voluntary act and deed of North Star Developers with full knowledge of its contents for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have set my hand and affixed my official seal the day and year above written.

NOTARY PUBLIC:
Commission Expires: _____

Developer Acknowledgment #3

State of Alaska)
) ss
Fourth Judicial District)

THIS IS TO CERTIFY that on this _____ day of _____, 20____, before me, the undersigned, a NOTARY PUBLIC in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Alan Corrick known to me to be the person named in and who executed the foregoing instrument, and that he signed the same as the free and voluntary act and deed of North Star Developers with full knowledge of its contents for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have set my hand and affixed my official seal the day and year above written.

NOTARY PUBLIC:
Commission Expires: _____

APPENDIX 'A'

THE PROPERTY: The land owned by the Developer which is the subject of this agreement for purposes of this project is described below;

NORTH STAR II, Tract "A-1", according to Record of Survey recorded as Plat No. 2010-13, Fairbanks Meridian, Alaska, Fairbanks Recording District.

NORTH STAR II SUBDIVISION, Tract "B" and Tract "C", according to plat 2010-81, Fairbanks Meridian, Alaska, Fairbanks Recording District.

NORTH STAR II SUBDIVISION, Tract C, according to plat 2010-81, Fairbanks Meridian, Alaska, Fairbanks Recording District.

Please see attached Proposed Preliminary Plat Brookside Park

APPENDIX 'B'

PUBLIC IMPROVEMENTS TO BE CONVEYED TO THE CITY

The public improvements to be designed, constructed by the Developer, and conveyed to the City with associated easements necessary to encompass, operate and maintain these improvements are as follows:

Mr. Ainley developed over 600 acres of land in North Pole. Those include: Beaver, Beaver East, Baker, Mission Homestead, North Star I and portions of other Subdivisions. North Star Developers continues to develop, divide and sell land with the current focus on over 200 acres in the southern portion of the City. The primary purpose of the Developer is to sell the remaining land and distribute proceeds to not-for-profit organizations that meet humanitarian, spiritual, food, lodging and other needs of mankind. The Trustees of the David Ainley Revocable Trust established a development plan which was approved by a Fairbanks District Court judge and this Developers Agreement includes portions of that plan. The Developer, with the continuing partnership of the City, desires to continue to establish new subdivisions that link to existing subdivisions. This is a continuation of the Master Plan adopted by Mr. Ainley and the City back in the 1970's. The Developer desires to continue to enhance the community with better roads, walking paths⁷, improvements and where possible, expansion to existing sewer and water infrastructure. The Developer will meet or exceed FNSB Title 17 road design standards. Attached are the three road configurations⁸.

Minor Collector - Psalms Blvd construction began in 2008 to City road base standards at the time, with the City water line paralleling the street. This is an undivided single two lane street, two way configuration that will consist of two 12-foot lanes (FNSB requires 10'), separated five foot minimum walking path and one foot shoulders with Developer to meet or exceed City standards of 18" classified fill, 4" crushed rock and 1.5" asphalt surface. The road center line will be offset to the north approximately 2.5 feet between lots 1 and 35 to better protect the existing city water line.

Psalms Blvd will maintain this consistent typical road section, except however, for the last 500' of the eastern end of Psalms Blvd by Buzby Road where the ROW is 70' wide and there the road section will be centered in the ROW. The ROW width transitions from 60' to 70' in the vicinity of Lot 1 and the Beaver Spring Creek crossing. This expanded ROW width area is intended to better accommodate future commercial traffic generated by Tract C and existing North Star II Buzby Plat No. 2013-26 F.R.D. Lot 6.

The full road ROW limits will be cleared. Walking path location will be determined. Psalms Blvd will have access/egress at Buzby Road and the southernmost end of Blanket Blvd. Temporary Cul-de-sac's will have a 120' ROW diameter, shall consist of a minimum 96 feet outside turning diameter with a minimum 11-foot lane width and it shall consist of

⁷ According Ordinance No. 2009-54, FNSB, North Pole Land Use Plan. This ordinance identified existing and proposed Pedestrian / Bicycle Facilities, Parks and Trails. The walking path, within each phase, starting with phase two, will be finalized prior to submission to City for acceptance of street/s in that phase.

⁸ Typical Road Sections for Brookside Park; R&M Engineering Consultants, Jim Wellman, RPE, CE-1752

the same road standards mentioned above and will also be cleared within ROW limits. The temporary cul-de-sacs will be removed by the Developer prior to conveyance to the City with the road surface/shoulder adjusted to meet Psalms Blvd standards. Psalms Blvd. is approximately 4,200 feet long.

Variances requests are:

- The Developer requests to maintain FNSB Title 17 ROW standard of 60', whereas the City standard is 80'.
 - Reasoning: A 60' ROW is needed because of the existing Beaver Springs Pond boundaries, existing City water main and easement, PUE land constraints, and DEC separation requirements from City water line, pond and creeks. Expanding the ROW to the City 80' ROW would damage the Developer's ability to develop lots along the lake, which will negatively impact the Developers ability to carry out the residential project.
- The Developer requests to modify road shoulder to one foot with a separated five feet minimum walking path. The FNSB Title 17 road standard is two feet and City standard is four feet, however both street designs are without separated walking path.
 - Reasoning: For pedestrian protection and to reduce anticipated future maintenance issues due to destructive consequences of four-wheelers driving on wider shoulders (as witnessed in other popular corridors).
- The Developer requests to modify street shoulder material to one foot of crushed rock. The City standard material is minimum 1.5 inch asphalt pavement.
 - Reasoning: The Developer is proposing a two foot wider paved 'traveled way' that the FNSB Title 17 standard of 10 feet. That may be considered as adding one foot of paved shoulder to each side of the street to protect a minimum of 10 foot 'traveled way' plus adding an additional one foot of crushed rock shoulders to either side to further protect the edge of pavement. The one foot crushed rock shoulders also extends some lateral support to the actual roadway structure provided by the gravel and crushed rock material layers.
- The Developer requests to modify typical road section for Psalms Blvd. to offset road center line to the north approximately 2.5 feet from the alignment of the ROW center line between lots 1 and 35.
 - The offset will better protect the existing city water line from reduced physical and thermal covering.
- The Developer requests to modify street shoulder to a variable of 2:1 maximum from 3:1 maximum.
 - Reasoning: Natural ground surfaces vary, however ditch depths must accommodate the Drainage Plan. The steeper slope will better protect the city water line.

Future sleeves will be either insulated HDPE pipe with a size sufficient to pull both in/out going water pipes, or will be 10-12" culvert / pipe; large enough to pull insulated water service loop through. Sleeve ends will be protected with sealed capped, and marked with locator. Please see attached Typical Road Section.

Minor Collector – two way traffic - Blanket Blvd. was approved in 2006 and constructed in 2008 to City road base standards at the time, with the City sewer line paralleling a major portion of the street. This is a divided two way configuration (for the most part) that will consist of two 12-foot lanes, a separated five feet minimum walking path, and one foot shoulders with Developer to meet or exceed City standards of 18" classified fill, 4" crushed rock and 1.5" asphalt surface. Blanket Blvd. will have access/egress at the existing northern end of Blanket Blvd. and connect to Psalms Blvd. at the southernmost end. The exceptionally wide ROW is to accommodate undisturbed nature areas and for a future walking path between traffic lanes, away from traffic, as already exists on North Blanket Blvd. Blanket Blvd. is approximately 2,500 feet long and when developed will fall under a new Developer Agreement.

Local Roads: Halleluiah Court, Selah Court, Clear Water Court and permanent Cul-de-sacs. This is an undivided single two lane street in a two way configuration that will consist of two 11-foot lanes (FNSB requires 10' and CONP standard is 11') with one foot shoulders with Developer to meeting or exceeding City 12" classified fill and 4" crushed rock cap and 1.5" of asphalt surface. The full road ROW limits will be cleared. Cul-de-sac's will have a 120' ROW diameter, shall consist of a minimum 96 feet outside turning diameter with a minimum 11-foot lane width and it shall consist of the same road standards mentioned above. Cul-de-sac to be cleared within ROW limits except for a minimum of 15 foot and a maximum of a 20 foot radius, from the center point, which will retain natural growth, when possible. Approximate lengths are: Halleluiah Court 350 feet, and Selah Court 400 feet. Clear Water Court is 675 feet and when developed will fall under a new Developer Agreement.

Variance requests are:

- The Developer requests to increase ROW width to 50', from FNSB Title 17 ROW standard of 40' whereas City standard of is 60'.
 - Reasoning: These side streets serve less than 10 residential lots⁹, are very short, and expect minimal traffic and wear.
- The Developer requests modify street shoulder to one foot.
 - Reasoning: These side streets serve less than 10 residential lots, are very short, and minimal pedestrian traffic is anticipated. Note: Reduced shoulders were recently approved for a high density residential district in the City.
- The Developer requests to modify street shoulder material to one foot of crushed rock.
 - Reasoning: The Developer is proposing a two foot wider paved 'traveled way' that the FNSB Title 17 standard of 10 feet. That may be considered as adding two foot of paved shoulder to each side of the street to protect a minimum of 10 foot 'traveled way' The one foot crushed rock shoulders also extends some lateral support to the actual roadway structure provided by the gravel and crushed rock material layers.
- The Developer requests to modify street shoulder to a variable of 2:1 maximum from 3:1 maximum.
 - Reasoning: Natural ground surfaces vary, however ditch depths must accommodate the Drainage Plan.

⁹ See FNSB Road Standard for Local 1 residential lots.

Permanent traffic signs will be installed at the intersections. These signs will include street name signs and applicable regulatory signs. Traffic markings will also be provided.

Soft spots: In the event that "soft spots" are discovered during roadway construction, the Developer will follow FNSB guidelines, as required, with additional excavation of 12-24 inches in the affected areas and application of a geotextile membrane where required, then filled and compacted with Classified Fill.

Definitions of material:

- Classified Fill shall be known as Sub base Grade B or clean pit run.
- Crushed Rock Cap shall be known as D-1 material.
- E-1 materials are silty gravel as defined by State of Alaska, DOT.

APPENDIX 'C'

COMPLETION SCHEDULE

Brookside Park is a multi-phased project with five initial phases consisting of over 200 acres. Each phase will be carried out incrementally¹⁰ with the first phase, consisting of Tracts A, B, C, D, E, F and G¹¹ which is to be developed as a dirt and gravel source. *Please see attached Preliminary Plat Brookside Park and particularly "Phasing" indicated at the upper right corner of sheet 1 of 2.* Each phase, after phase one, will have between 6 and 15 lots. Within two years of the sale 80% of the lots within that phase, starting at phase two, the Developer will surface the streets to agreed City standards.

Since this is a multi-phased project and no one can accurately predict the time table of residential lot sales, the below schedule is tentative beginning with phase 2. The improvements shall be designed and constructed according to the following tentative schedule:

1. Submit Preliminary Design Report, Plans and Specifications to the CONP for approval: **September 5, 2017**
2. Final Design - anticipating to provide copy of proposed technical plans and specs for construction contractor bidders to the CONP for approval: **September 18, 2017**
3. CONP and FNSB Assembly Approvals;
 - a. FNSB Zoning: **December 12, 2017** (or sooner)
 - b. FNSB Platting: **November 15, 2017** preliminary approval
 - c. US Army Corps of Engineers Wetland Permit: NA
 - d. ADEC: NA
4. Pre-construction Conference with all key Developer representatives and contractors, City representatives and Utility representatives: **August 16, 2017**
5. Notice to Proceed: **Spring 2018** *see note below
6. Public Improvement Construction Completion: Within two years after 80% of the lots within that phase, starting at phase two, are sold.
7. "As-Built" Drawings per CONP guidelines: **December 2017**
8. Final AIMF Conveyance: **Estimated within one year of completion of improvements.**
9. Final CONP Acceptance payments, certificate of release, etc.: **Estimated within one year of completion of improvements.**

*A detailed construction schedule will be provided prior to the Notice to Proceed, reviewed monthly, and updated as required.

¹⁰ See attached Brookside Park plat showing initial phases 1-5.

¹¹ Tract G consists of approximately 40 acres. It is a planned source for dirt and gravel. The Developer has a Purchase Option on Tract G, should the Buyer exercise his option the Developer will provide the Buyer of Tract G a 'license of use' for Psalms Blvd prior to acceptance by the City. Streets within Tract G are private.