

Mayor

James Kallander

Council Members

Keith van den Broek

James Kacsh

David Allison

Bret Bradford

EJ Cheshier

David Reggiani

Robert Beedle

City Manager

Mark Lynch

City Clerk

Susan Bourgeois

Deputy Clerk

Robyn Kincaid

Stu. Co. Rep.

Shyla Krukoff

**CITY COUNCIL PUBLIC HEARING
JANUARY 04, 2012 @ 7:15 PM
LIBRARY MEETING ROOM**

AGENDA

A. CALL TO ORDER

B. ROLL CALL

Mayor James Kallander, Council members Keith van den Broek, James Kacsh, David Allison, Bret Bradford, EJ Cheshier, David Reggiani, and Robert Beedle

C. PUBLIC HEARING

- 1. Ordinance 1089..... (page 1)
An ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lots one through four, Block Forty-two, Cordova Townsite to Leo Americus – 2nd reading
- 2. Substitute Ordinance 1091..... (page 33)
An ordinance of the City of Cordova, Alaska, authorizing a borrowing in anticipation of the receipt of revenues of the City in the aggregate principal amount of not to exceed \$2,793,918.60 to finance part of the cost of the Cordova Center project; and providing for related matters – 2nd reading
- 3. Ordinance 1092..... (page 36)
An ordinance of the City Council of the City of Cordova, Alaska, enacting Cordova Municipal Code 14.28.005, definitions; and amending Cordova Municipal Code 14.28.010, Community Health Services Board, 14.28.020, Administration, and 14.28.050, Schedule of Revenue, to provide for the City Council to contract for administration of the Cordova Community Medical Center – 2nd reading
- 4. Ordinance 1093..... (page 43)
An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code 5.12.040, Council approval of contracts; 5.12.050, contract amendments; and 5.12.140, open market procedure; to increase to \$25,000 the amount of a contract that the City Manager may execute, and award by open market procedure, without City Council approval – 2nd reading

D. ADJOURNMENT

**If you have a disability that makes it difficult to attend city-sponsored functions,
You may contact 424-6200 for assistance.**

All City Council agendas and packets available online at www.cityofcordova.net

Memo

To: City Council
From: Planning Department
Date: 12/28/2011
Re: 2nd Reading of Ordinance authorizing to convey Lots 1-4, Block 42 to Leo Americus

PART I. BACKGROUND:

The first reading of this ordinance was done on October 24th at that time it was decided that the second reading would not occur until all liens had been removed and recorded. All liens have been released by the lien holders and recorded, except one which should be record by the time of this meeting. Below is the time line of this property sale and attached is the documentation from the first reading.

The timeline of the disposal of the Lots 1-4, Block 42 Cordova Original Townsite

1. March 8, 2011; Planning and Zoning Commission recommended disposing of the lot.
2. April 6, 2011; City Council elected to sell the lot by proposal.
3. June 21, 2011; 30 day period proposal period ended
4. July 12, 2011; Planning and Zoning Commission reviewed the proposal and forwarded to City Council
5. July 20, 2011; City Council awards the disposal of Lots 1-4 Block 42 Original Townsite to Leo Americus
6. August 3, 2011; City Council reviews and approves Performance Deed of trust Criteria
7. October 5, 2011; City Council discussed Performance Deed of Trust contract and referred back to staff
8. October 19, 2011; City Council discussed Performance Deed of Trust in executive session
9. October 24, 2011 the first reading of the Ordinance authorizing to convey Lots 1-4, Block 42 to Leo Americus; it was also determined that the second reading would not occur until all liens were removed and recorded.
10. November 2, 2011 council approved the removal of the cities liens on the property
11. November 8, 2011 First National Bank of AK satisfaction of judgment was recorded
12. December 15, 2011 re-conveyance of the Wentworth lien was recorded.
13. December 20, 2011 city release of sales tax and personal property lien was signed by city manager and mail to records office. This will be recorded at or shortly after the January 4, 2012 city council meeting.

**CITY OF CORDOVA, ALASKA
ORDINANCE 1089**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA,
ALASKA, AUTHORIZING THE SALE OF LOTS ONE THROUGH FOUR, BLOCK
FORTY-TWO, CORDOVA TOWNSITE TO LEO AMERICUS**

WHEREAS, pursuant to CMC 5.22.030, the City of Cordova solicited proposals for the purchase of Lots one through four, Block Forty-two (42), Cordova Townsite (the "Property"); and

WHEREAS, the Council finds that the proposal submitted by Leo Americus is the best proposal for the purchase of the Property; and

WHEREAS, the purchase price proposed by Leo Americus is not less than appraised fair market value of the Property; and

WHEREAS, in selecting the proposal of Leo Americus to purchase the Property, the Council relied on the plan to develop the Property that was part of the proposal, and the disposal of the Property should be conditioned upon the development of the Property in accordance with that plan; and

WHEREAS, there have been presented at this meeting the forms of a Purchase and Sale Agreement, Quit Claim Deed and Performance Deed of Trust that are to be executed in connection with the disposal of the Property by the City, and it appears that such documents are appropriate form and are appropriate instruments for the purposes intended,

BE IT ORDAINED by the City Council of the City of Cordova, that:

Section 1. The City Manager is authorized and directed to convey the Property to Leo Americus in accordance with the terms in the Purchase and Sale Agreement. The form and content of the Purchase and Sale Agreement, Quit Claim Deed and Performance Deed of Trust now before this meeting hereby are in all respects authorized, approved and confirmed, and the City Manager hereby is authorized, empowered and directed to execute and deliver such documents on behalf of the City, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as he shall deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said documents now before this meeting, and from and after the execution and delivery of said documents, the City Manager hereby is authorized, empowered and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of the documents as executed,

Section 2. The disposal of the Property authorized by this ordinance is subject to the

requirements of City Charter Section 5-17. Therefore, if one or more referendum petitions with signatures are properly filed within one month after the passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or insufficient, or, if any such petition is found legal and sufficient, until the ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one month after its passage and publication.

1st reading: November 2, 2011

2nd reading and public hearing: January 4, 2012

PASSED AND APPROVED THIS 4th DAY OF JANUARY, 2012

James Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into as of October ____, 2011 (the "Effective Date"), by and between the CITY OF CORDOVA, an Alaska municipal corporation ("Seller"), whose address is P. O. Box 1210, Cordova, Alaska 99574, and LEO AMERICUS ("Purchaser"), whose address is P. O. Box 2112, Cordova, Alaska 99574.

WHEREAS, Seller is the owner of certain real property located in the City of Cordova, Alaska, more particularly described in Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, Purchaser will develop the Property for Residential use consistent with plans submitted to and approved by the Cordova City Council; and

WHEREAS, Purchaser has funds to pay the cost of acquiring the Property; and

WHEREAS, Purchaser desires to buy from Seller, and Seller desires to sell to Purchaser, the Property, subject to and in accordance with the terms and provisions hereinafter set forth,

NOW, THEREFORE, in consideration of the foregoing Recitals (which are incorporated herein by this reference), the mutual covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. Purchase and Sale. Seller hereby agrees to sell, assign and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, all of Seller's right, title and interest in and to that certain real property located in the Cordova Recording District, Third Judicial District, State of Alaska, more particularly described in Exhibit A attached hereto and incorporated herein by this reference, together with any and all improvements thereon, and all rights, privileges, easements and appurtenances thereto (the "Property").

2. Purchase Price. The purchase price for the Property is SIXTY-FIVE THOUSAND DOLLARS (\$65,000.00) (the "Purchase Price") and shall be paid to Seller by Purchaser at the Closing (as that term is defined in Section 12 below) as follows:

(a) Within five (5) business days after execution of this Agreement by all parties, Purchaser shall deposit a fully executed copy of this Agreement, and the sum of FIVE THOUSAND DOLLARS (\$5,000.00) as an earnest money deposit (the "Deposit"), in escrow ("Opening of Escrow") with Pacific Northwest Title of Alaska, Inc. ("Escrow Agent").

(b) In the event the purchase and sale of the Property is consummated as contemplated hereunder, the Deposit shall be retained by Seller and credited against

the Purchase Price at Closing, or otherwise disbursed in accordance with this Agreement.

(c) The balance of the Purchase Price over and above the amount paid by or credited to Purchaser pursuant to Section 2(b) above shall be paid to Seller in immediately available funds at the Closing.

3. Property Development. Purchaser shall develop the Property for residential use, consistent with plans submitted and approved by the Cordova City Council and attached hereto and incorporated herein as Exhibit B.

4. Title.

(a) Seller shall order from Pacific Northwest Title of Alaska, Inc., ("Title Company"), and shall deliver to Purchaser within ten (10) days following the Opening of Escrow, a preliminary title report pertaining to the Property (the "Commitment"), together with legible (to the extent available) copies of all documents relating to the title exceptions referred to in such Commitment.

(b) Within fifteen (15) days after the delivery of the Commitment, Purchaser shall notify Seller in writing of any title exceptions identified in the Commitment of which Purchaser disapproves. Any exception not disapproved in writing within said fifteen (15) day period shall be deemed approved by Purchaser, and shall constitute a "Permitted Exception" hereunder. Purchaser and Seller hereby agree that all non-delinquent property taxes and assessments shall also constitute "Permitted Exceptions." Within ten (10) days after receipt of Purchaser's written notice of disapproved title exceptions, if any, Seller shall notify Purchaser in writing of any disapproved title exceptions which Seller is unable or unwilling to cause to be removed prior to or at Closing. Seller's failure to give such notice shall be deemed an election not to remove any disapproved title exceptions. With respect to such exceptions, Purchaser then shall elect, by giving written notice to Seller and Escrow Agent within ten (10) days thereafter, (x) to terminate this Agreement, or (y) to waive his disapproval of such exceptions, in which case such exceptions shall then be deemed to be Permitted Exceptions. Purchaser's failure to give such notice shall be deemed an election to waive the disapproval of any such exception. In the event Purchaser elects to terminate this Agreement in accordance with clause (x) above, the Deposit, without interest, shall be immediately refunded to Purchaser; provided, however, that Purchaser shall be responsible for any title or escrow cancellation fees.

5. Representations and Warranties of Seller. Seller represents and warrants to Purchaser that the following matters are true and correct as of the execution of this Agreement and also will be true and correct as of the Closing:

(a) This Agreement is, and all the documents executed by Seller which are to be delivered to Purchaser at the Closing will be, legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their respective terms

and does not and will not violate any provisions of any agreement to which Seller is a party or to which it or the Property is subject.

(b) Purchaser shall purchase the Property based on Purchaser's own prior investigation and examination of the Property (or Purchaser's election not to do so) and upon the warranties, covenants and representations contained in this Agreement; AND THAT, AS A MATERIAL INDUCEMENT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY SELLER, SUBJECT TO THE TERMS OF THIS AGREEMENT, PURCHASER IS PURCHASING THE PROPERTY IN AN "AS IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR, WITH ALL FAULTS. Except as may be set forth in this Agreement, Purchaser hereby waives, and Seller does hereby disclaim, all warranties of any type or kind whatsoever with respect to the Property, whether express or implied, including, by way of description but not limitation, those of fitness for a particular purpose and use.

6. Representations, Warranties and Covenants of Purchaser. Purchaser represents and warrants to Seller that the following matters are true and correct as of the execution of this Agreement and also will be true and correct as of the Closing:

(a) This Agreement is, and all the documents executed by Purchaser which are to be delivered to Seller at the Closing will be, duly authorized, executed, and delivered by Purchaser, and is and will be legal, valid, and binding obligations of Purchaser enforceable against Purchaser in accordance with their respective terms and do not and will not violate any provisions of any agreement to which either Purchaser is a party or to which they are subject.

7. Conditions Precedent to Closing.

(a) The following shall be conditions precedent to Seller's obligation to consummate the purchase and sale transaction contemplated herein (the "Seller's Conditions Precedent"):

(1) Purchaser shall not have terminated this Agreement in accordance with Section 4, Section 14 or Section 15 of this Agreement within the time periods described in said Sections.

(2) Purchaser shall have delivered to Escrow Agent, prior to or at the Closing, for disbursement as directed hereunder, all cash or other immediately available funds due from Purchaser in accordance with this Agreement.

(3) There shall be no uncured breach of any of Purchaser's representations or warranties set forth in Section 6, as of the Closing.

(4) Purchaser shall have delivered to Escrow Agent the items described in Section 10.

(5) The timely performance by Purchaser of each and every obligation imposed upon Purchaser hereunder.

The conditions set forth in this Section 7(a) are solely for the benefit of Seller and may be waived only by Seller and only in writing. Seller shall, at all times have the right to waive any of these conditions.

(b) The following shall be conditions precedent to Purchaser's obligation to consummate the purchase and sale transaction contemplated herein (the "Purchaser's Conditions Precedent"):

(1) Purchaser shall not have terminated this Agreement in accordance with Section 4, Section 14 or Section 15 of this Agreement within the time periods described in said Sections.

(2) Title Company shall be committed to issue, at the Closing, an owner's policy of title insurance (the "Title Policy"), insuring Purchaser's interest in the Property, dated the day of the Closing, with liability in the amount of the Purchase Price, subject only to the Permitted Exceptions.

(3) There shall be no uncured breach of any of Seller's representations or warranties as set forth in Section 5 or the covenants as set forth in Section 8, as of the Closing.

(4) Seller shall have delivered the items described in Section 9.

(5) The timely performance by Seller of each and every obligation imposed upon Seller hereunder.

The conditions set forth in this Section 7(b) are solely for the benefit of Purchaser and may be waived only by Purchaser and only in writing. Purchaser shall, at all times have the right to waive any of these conditions.

8. Covenants of Seller. Seller hereby covenants with Purchaser, as follows:

(a) After the date hereof and prior to the Closing, no part of the Property, or any interest therein, will be voluntarily sold, mortgaged, encumbered, leased or otherwise transferred without Purchaser's consent which may be withheld in their sole and absolute discretion.

(b) Seller agrees to notify Purchaser promptly of the occurrence of any event which violates any covenant set forth in this Section 8.

9. Seller's Closing Deliveries. At or prior to the Closing, Seller shall deliver to Escrow Agent the following:

(a) A Quitclaim Deed in the form attached hereto as Exhibit C, executed by Seller conveying the Property to Purchaser (the "Deed").

(b) A closing statement prepared by the Title Company itemizing and approving all receipts and disbursements made in connection with Closing.

(c) Any other documents, instruments or agreements reasonably necessary to effectuate the transaction contemplated by this Agreement.

10. Purchaser's Closing Deliveries. At or prior to the Closing, Purchaser shall deliver to Escrow Agent the following:

(a) The balance of the Purchase Price, together with such other sums as Escrow Agent shall require to pay Purchaser's share of the Closing costs, prorations, reimbursements and adjustments as set forth in Section 11 and Section 13, in immediately available funds.

(b) A Performance Deed of Trust from Purchaser, as Trustor, to Title Company, as trustee, with Seller as beneficiary, in the form attached hereto as Exhibit D, to secure the obligations of Purchaser to develop the Property.

(c) Any other documents, instruments or agreements reasonably necessary to effectuate the transaction contemplated by this Agreement.

11. Prorations and Adjustments. The following shall be prorated and adjusted between Seller and Purchaser as of the day of the Closing, except as otherwise specified:

(a) General real estate, personal property and ad valorem taxes and assessments, and any improvement or other bonds encumbering the Property, for the current tax year for the Property. Purchaser is not responsible for delinquent real estate taxes, personal property taxes, ad valorem taxes, or assessments arising prior to Closing.

(b) Utility charges, if any. Purchaser acknowledges and agrees that Seller shall be entitled to all refunds of utility deposits with respect to the Property and that such amounts are not to be assigned to Purchaser in connection with the sale of the Property. However, Purchaser will be responsible for any additional assessments effective prior to Closing, of which notice is received after Closing.

For purposes of calculating prorations, Purchaser shall be deemed to be in title to the Property, and, therefore entitled to the income therefrom and responsible for the expenses thereof for the entire day upon which the Closing occurs. All such prorations shall be made on the basis of the actual number of days of the month which shall have elapsed as of the day of the Closing and based upon the actual number of days in the month and a three hundred sixty-five (365) day year. In no event will there be any proration of insurance premiums under Seller's existing policies of insurance relating to the Property, and Purchaser acknowledges and agrees that none of Seller's insurance policies (or any proceeds payable thereunder) will be assigned to Purchaser at the Closing, and Purchaser shall be solely obligated to obtain any and all insurance that they deem necessary or desirable. The provisions of this Section 11 shall survive the Closing.

12. Closing. The purchase and sale contemplated herein shall close on or before sixty (60) days after the Effective Date (the “Closing”) or on such other specific date and time mutually agreed to by the parties. As used herein, the term “Closing” means the date and time that the Deed is recorded in the Cordova Recording District, Third Judicial District, State of Alaska (the “Official Records”). The Closing shall occur at the offices of the Escrow Agent as set forth in Section 18(m).

13. Closing Costs. Purchaser shall pay the fee for recording the Deed, the premium for the Title Policy, and for all fees and costs Seller incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney’s fees and costs, surveying and platting fees and costs, closing costs and escrow fees. Purchaser shall bear the expense of his own counsel. Unless otherwise specified herein, if the sale of the Property contemplated hereunder does not occur because of a default on the part of Purchaser, all escrow cancellation and title fees shall be paid by Purchaser; if the sale of the Property does not occur because of a default on the part of Seller, all escrow cancellation and title fees shall be paid by Seller.

14. Risk of Loss. If prior to the Closing, any portion of the Property is subject to a taking, or eminent domain proceedings are commenced, by public authority (other than Seller) against all or any portion of the Property, Purchaser shall have the right, exercisable by giving notice to Seller within ten (10) business days after receiving written notice of such taking (but in any event prior to the Closing), either (i) to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder (except as may be expressly provided to the contrary elsewhere in this Agreement), and any money (including, without limitation, the Deposit and all interest accrued thereon) or documents in escrow shall be returned to the party depositing the same, and Purchaser and Seller each shall be responsible for one-half of any title or escrow cancellation fee, or (ii) to accept the Property in its then condition, without any abatement or reduction in the Purchase Price, and receive an assignment of all of Seller’s rights to any condemnation award payable by reason of such taking. Purchaser’s failure to elect timely shall be deemed an election of (ii). If Purchaser elects to proceed under clause (ii) above, Seller shall not compromise, settle or adjust any claims to such award without Purchaser’s prior written consent. As used in this Section 14, “taking” shall mean any transfer of the Property or any portion thereof to a governmental entity (other than Seller) or other party with appropriate authority, by exercise of the power of eminent domain.

15. Default.

(a) No party shall be deemed to be in default hereunder unless such party fails to cure an alleged default within ten (10) days after receipt from the other party of written notice thereof; provided, however, that (i) if such alleged default is not susceptible of being cured within said ten (10) day period, such party shall not be deemed in default hereunder so long as such party commences to cure the alleged default within said ten (10) day period and diligently prosecutes the same to completion within thirty (30) days; and (ii) no notice shall be required or cure period permitted in the

event the alleged default is a failure to close the transaction contemplated hereby at the Closing.

(b) In the event of a default by Seller hereunder, Purchaser shall be entitled, in addition to any and all other remedies to which Purchaser may be entitled at law or in equity, (i) to terminate this Agreement by written notice to Seller, in which event the Deposit shall be returned to Purchaser and neither party shall have any further rights, obligations, or liabilities hereunder, or (ii) to enforce Seller's obligations hereunder by a suit for specific performance, in which event Purchaser shall be entitled to such injunctive relief as may be necessary to prevent Seller's disposition of the Property pending final judgment in such suit.

(c) In the event of a default by Purchaser hereunder, Seller shall be entitled, as Seller's sole and exclusive remedy, to terminate this Agreement by written notice to Purchaser, in which event, the Deposit shall be retained by Seller as liquidated damages; thereafter, neither party shall have any further rights, obligations, or liabilities hereunder. The parties acknowledge and agree that the actual damages in such event are uncertain in amount and difficult to ascertain, and that said amount of liquidated damages was reasonably determined.

16. Escrow.

(a) Instructions. Within five (5) business days after execution of this Agreement, Purchaser shall deposit a copy of this Agreement executed by both Purchaser and Seller with Escrow Agent. This Agreement, together with such further instructions, if any, as the parties shall provide to Escrow Agent by written agreement, shall constitute the escrow instructions. If any requirements relating to the duties or obligations of Escrow Agent hereunder are not acceptable to Escrow Agent, or if Escrow Agent requires additional instructions, the parties hereto agree to make such deletions, substitutions and additions hereto as Seller and Purchaser shall mutually approve, which additional instructions shall not substantially alter the terms of this Agreement unless otherwise expressly agreed to by Seller and Purchaser.

(b) Deposits into Escrow. Seller shall make its deliveries into escrow in accordance with Section 9. Purchaser shall make his deliveries into escrow in accordance with Section 10. Escrow Agent is hereby authorized to close the escrow only if and when: (i) Escrow Agent has received all items to be delivered by Seller and Purchaser pursuant to Sections 9 and 10; and (ii) Title Company can and will issue the Title Policy concurrently with the Closing.

(c) Close of Escrow. Provided that Escrow Agent shall not have received written notice in a timely manner from Purchaser or Seller of the failure of any condition to the Closing or of the termination of the escrow, and if and when Seller and Purchaser have deposited into escrow the matters required by this Agreement and Title Company can and will issue the Title Policy concurrently with the Closing, Escrow Agent shall:

(1) Deliver to Seller the Purchase Price, after satisfying the Closing costs, prorations and adjustments to be paid by Seller pursuant to Section 10 and Section 12, respectively.

(2) Deliver to Purchaser the Deed by causing it to be recorded in the Official Records of the Cordova Recording District, Third Judicial District, State of Alaska and immediately upon recording delivering to Purchaser a conformed copy of the Deed.

(3) Deliver to Title Company and Seller the Performance Deed of Trust by causing it to be recorded in the Official Records of the Cordova Recording District, Third Judicial District, State of Alaska and immediately upon recording delivering to Title Company and Seller a conformed copy of the Performance Deed of Trust.

(4) Deliver to Purchaser any funds deposited by Purchaser, and any interest earned thereon, in excess of the amount required to be paid by Purchaser hereunder.

(5) Deliver the Title Policy issued by Title Company to Purchaser.

17. Reciprocal Indemnification.

(a) Seller hereby agrees to indemnify, hold harmless and defend Purchaser from and against any and all loss, damage, claim, cost and expense and any other liability whatsoever, including without limitation reasonable attorneys' fees, charges and costs, incurred by Purchaser by reason of: (i) Seller's breach of any covenants, representations or warranties of Seller contained in this Agreement which survive the Closing, or (ii) without limiting the generality of the foregoing, Seller's failure to duly perform and discharge Retained Liabilities, as defined below. The Retained Liabilities include: (i) any liability the existence of which would constitute a breach of any of Seller's representations or warranties contained in Section 5; and (ii) any expenses, liabilities or obligations relating to the Property or its operation arising from acts, omissions, occurrences or matters that took place prior to the Closing.

(b) Purchaser hereby agrees to indemnify, hold harmless and defend Seller from and against any and all loss, damage, claim, cost and expense and any other liability whatsoever, including without limitation reasonable attorneys' fees, incurred by Seller by reason of: (i) Purchaser's breach of any covenants, representations or warranties of Purchaser contained in this Agreement which survive the Closing, or (ii) without limiting the generality of the foregoing, Purchaser's failure to duly perform the Assumed Liabilities. The Assumed Liabilities include: (i) Seller's obligations and liabilities with respect to the Property or its operation which are expressly assumed in writing by Purchaser pursuant to this Agreement or documents delivered at Closing; and (ii) any expenses, liabilities or obligations relating to the

Property or its operation arising from acts, omissions, occurrences or matters that take place on or after the Closing.

18. General Provisions.

(a) Each individual executing this Agreement hereby represents and warrants that he or she has the capacity set forth on the signature pages hereof with full power and authority to bind the party on whose behalf he or she is executing this Agreement to the terms hereof.

(b) Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which such period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday or legal holiday, in which case the period shall be deemed to run until the end of the next business day.

(c) Seller represents and warrants to Purchaser, and Purchaser represents and warrants to Seller, that there is no broker, finder, or other intermediary of any kind with whom such party has dealt in connection with the transaction contemplated hereby, and each party agrees to indemnify, defend, and hold harmless the other from any claim made by any broker or agent alleging entitlement to any fee or commission as a result of having dealt with the indemnifying party.

(d) This Agreement, including all exhibits attached hereto, constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other prior or contemporaneous written or oral agreements, undertakings, promises, warranties, or covenants with respect thereto not contained herein.

(e) This Agreement may be amended or modified only by a written instrument executed by all of the parties hereto.

(f) No waiver of any condition or provision of this Agreement by any party shall be valid unless in writing signed by such party. No such waiver shall be deemed or construed as a waiver of any other or similar provision or of any future event, act, or default.

(g) If any provision of this Agreement is deemed unenforceable in whole or part, such provision shall be limited to the extent necessary to render the same valid or shall be deemed excised from this Agreement and replaced by a valid provision as close in meaning and intent as the excised provision, as circumstances require, and this Agreement shall be construed as if said provision had been incorporated herein as so limited or as so replaced, as the case may be.

(h) Headings of articles and sections herein are for convenience of reference only and shall not be construed as part of this Agreement.

(i) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, and permitted assigns.

(j) This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.

(k) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute a single instrument.

(l) In no event shall this Agreement be construed more strongly against any one person solely because such person or its representative acted as draftsman hereof, it being acknowledged by the parties hereto that both have been represented by competent legal counsel, that this Agreement has been subject to substantial negotiation, and that all parties have contributed substantially to the preparation of this Agreement.

(m) Any notice, request, demand, instruction or other document to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be sent by United States registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

Seller: City of Cordova
Attn: City Manager
P. O. Box 1210
Cordova, Alaska 99574

Purchaser: Leo Americus
P. O. Box 2112
Cordova, Alaska 99574

Escrow Agent: Pacific Northwest Title of Alaska, Inc.
3201 C Street, Suite 110
Anchorage, Alaska 99503

Title Company: Pacific Northwest Title of Alaska, Inc.
3201 C Street, Suite 110
Anchorage, Alaska 99503

Any party may change its address for notice by written notice given to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been duly given or served on the date three (3) days after being placed in the U.S. Mail.

(n) The parties agree to execute such instructions to Escrow Agent and Title Company and such other instruments and to do such further acts as may be

reasonably necessary to carry out the provisions of this Agreement on terms mutually acceptable to Purchaser and Seller.

(o) Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

SELLER: CITY OF CORDOVA

By: _____
Mark Lynch, City Manager

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of October, 2011, by Mark Lynch, City Manager of the CITY OF CORDOVA, an Alaska municipal corporation, on behalf of the City.

Notary Public in and for Alaska
My commission expires:_____

PURCHASER: Leo Americus

By: _____
Leo Americus

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of October 2011, by LEO AMERICUS.

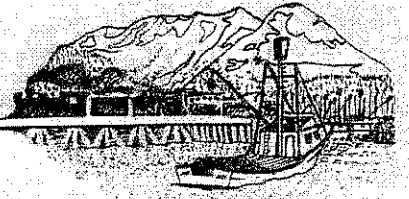
Notary Public in and for Alaska
My commission expires: _____

EXHIBIT A

Legal Description of the Property

Lot 1-4, Block 42, CORDOVA ORIGINAL TOWNSITE, according to the official map and plat thereof, Plat No.1-10, on file in the office of the recorder, Cordova Recording District, Third Judicial District, State of Alaska.

CITY OF CORDOVA



SEALED PROPOSAL FORM

All proposals must be submitted by Tuesday, June 21st 2011 @ 5p.m in a sealed envelope.

Property: Lot 1-4, Block 42, Original Townsite; 708 Eighth Street. See attached map.

Name of Proposer Leo Americas
Name of Business _____

Address Box 2112
Cordova, AK 99574

Phone Number (907) 253-3000

Note: All submitted proposals for this property will be reviewed by the Planning & Zoning Commission who will then recommend a proposal to City Council for final review and acceptance. The City Council reserves the right to reject any, part of any or all proposals, or to accept any proposal deemed most advantageous to the City of Cordova.

The chosen proposal will be required to address and provide a Drainage Plan for this property, which will be reviewed and approved by the Public Works and Planning Departments prior to a Building permit being issued.

The minimum price that will be accepted for Lot 1-4, Block 42, Original Townsite; 708 Eighth Street is \$45,000. This is the Fair Market Value determined by a qualified appraiser licensed by the State of Alaska. If the successful proposal amount is greater than the appraised value, then that shall be the amount paid for the property. In no event shall the winning bid amount be less than Fair Market Value.

Proposed Price \$65,000

The applicant shall be responsible for all fees and costs the City incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees as per City of Cordova Municipal Code section 5.22.100.

Please review the attached section of Code for the allowable uses within the Medium Density Residential Zone.

Additional Information required (Please attach separately)

1. Please describe the proposed use of this lot?
2. Please describe the type of building(s) you're proposing to develop.
3. What is the proposed square footage of the building(s)? Please provide a rough sketch of your building(s) layout on the attached drawing of this lot.
4. What is the benefit of the proposed development to the community?
5. What is the value of the proposed improvements (in dollars)?
6. What is your proposed timeline for development?
7. How will you resolve any drainage issues arising from the addition of fill material?

Please address to:

**City of Cordova
Planning Department
C/O Sealed Proposals
Lots 1-4, Block 42; O.T.
P.O. Box 1210
Cordova, Alaska 99574**

Chapter 18.24 - R MEDIUM DENSITY RESIDENCE DISTRICT

Sections:

18.24.010 - Permitted uses.

18.24.020 - Building height limit.

18.24.030 - Lot area.

18.24.040 - Front yard.

18.24.050 - Rear yard.

18.24.060 - Side yard.

18.24.010 - Permitted uses.

The following uses are permitted in the R medium density district:

- A. One-family, two-family and multiple-family dwellings;
- B. Boardinghouses;
- C. Accessory buildings and uses not used or operated for gain and not including guest houses or accessory living quarters;
- D. Require off-street parking.

(Prior code § 15.204.2(A)).

18.24.020 - Building height limit.

The maximum building height in the R medium density district shall be three and one-half stories but shall not exceed forty-five feet.

(Prior code § 15.204.2(B)).

18.24.030 - Lot area.

- A. The minimum lot area in the R medium density district shall be four thousand square feet and the minimum lot width shall be forty feet.
- B. The minimum lot area for dwellings in the R medium density district shall be:
 1. For a one-family dwelling, four thousand square feet per dwelling unit;
 2. For a two-family and three-family dwelling, two thousand square feet per dwelling unit;
 3. For a multiple-family dwelling unit with four to seven dwelling units, one thousand six hundred square feet per dwelling unit;
 4. For a multiple-family dwelling with eight or more dwelling units, one thousand square feet per dwelling unit.

(Prior code § 15.204.2(C)).

18.24.040 - Front yard.

There shall be a front yard in the R medium density district of not less than ten feet from curb line.

(Prior code § 15.204.2(D)).

18.24.050 - Rear yard.

There shall be a rear yard in the R medium density district of not less than twenty-five percent of the depth of the lot but such yard need not exceed fifteen feet.

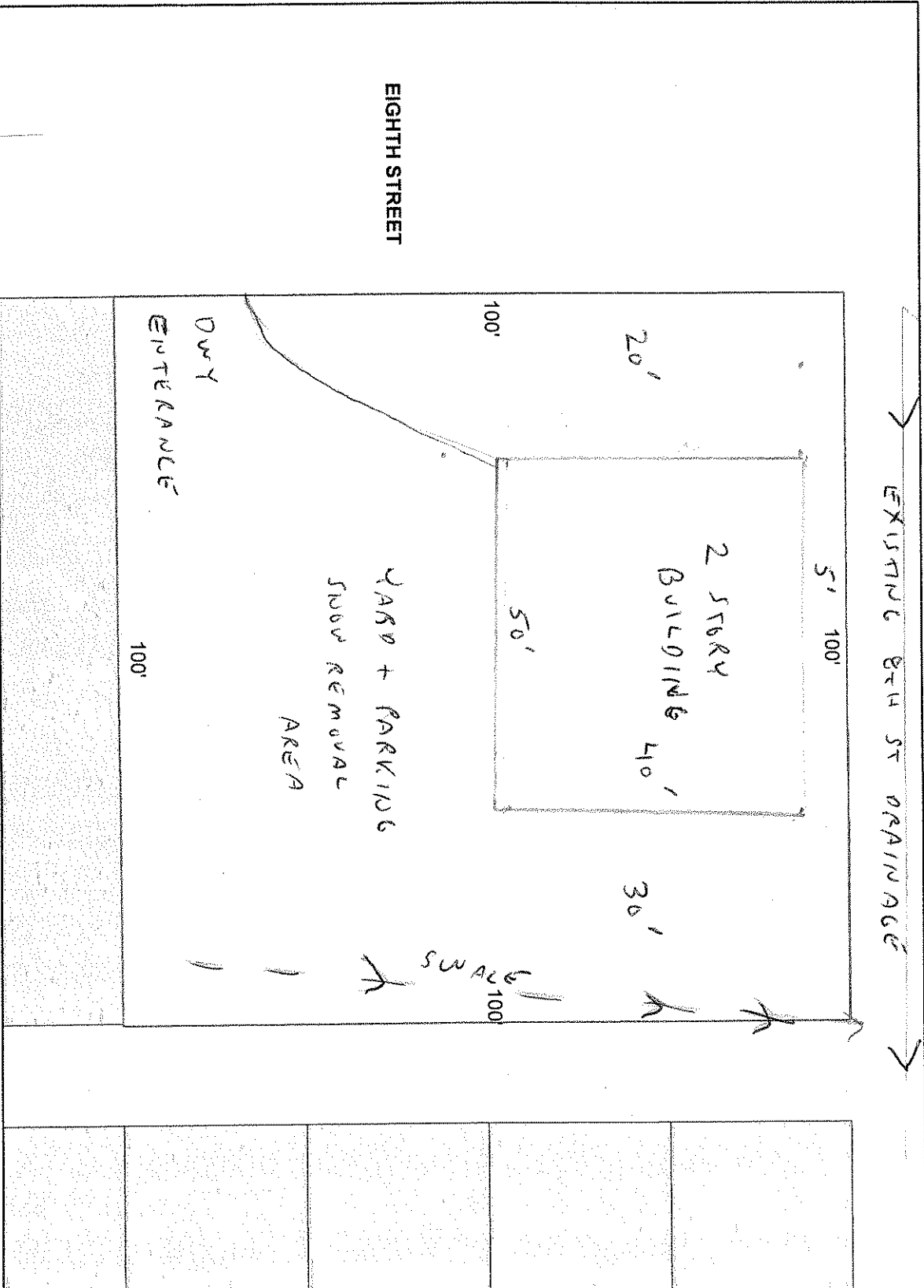
(Prior code § 15.204.2(F)).

18.24.060 - Side yard.

- A. There shall be a side yard in the R medium density district of not less than five feet. The minimum side yard on the street side of a corner shall be ten feet.
- B. The following additional requirements shall apply to two-family and multiple-family dwellings in the R medium density district:
 - 1. In case the building is so located on the lot that the rear thereof abuts one side yard and front abuts the other, the side yard along the rear of the building shall have a minimum width of twelve feet and the side yard along the front of the building shall have a minimum width of ten feet.
 - 2. For multiple-family dwellings the minimum side yards required shall be increased one foot for each dwelling unit over four.

(Prior code § 15.204.2(E)).

Lots 1-4, Block 42, Original Townsite
 ***This depiction is showing Lots 1-4 as one singular lot strictly for the purposes of drawing your intended plan. There are four 25' X 100' (2,500 square foot) lots for a total of 10,000 square feet.



This map was created for illustration purposes only, it was not intended to be used as a survey instrument.

This map was created by the Planning Department on May 17th 2011 for the property disposal packet.

May 28, 2011

I am attaching this letter to cover the additional information required to purchase Lots 1-4 Block 42, Original Townsite.

1. The lot will be used to construct a two story residential building. The building will be set up with primary residence on second floor. An efficiency style apartment on ground floor.

The site has several issues limiting its use. The existing 1 1/4 inch water service services all of Eighth Ave. A multi family unit could affect the water service for all the existing units. The lot is situated on the east side of Eighth Ave. This makes the lot significantly lower than the street. Access to the lot is limited to the south west corner. All vehicle traffic would be here. This would become an annoyance to the resident of Lot 5. Parking would also be limited as it could not be directly from the street.

2. I am proposing a two story residential building.

Primary residence on second floor, with a shop efficiency unit on ground floor.

3. The building will be around 4,000 sq. ft.

4. I will build a high quality building adding value to the tax rolls. The building will provide two additional residences. I will continue to reside in the community and try to provide timely and affordable survey services in Cordova. Local labor would be used in the construction.

5. The improvements when completed should be around \$400,000.

6. Due to changes in my personal life I am needing to sell my present home within the next two years. Should I acquire this lot I would begin immediately to sell my present home and move forward on construction of a new home.

7. I have visited the lot several times. After consulting with the city water and sewer department I believe a lot of fill would not be needed for construction. I plan to place some fill to bring the driveway up and to match the existing grade of Lot 5. I propose to build a drainage swale along the east side of the lot. Any runoff could be diverted to the existing drainage running along the north side of Lot 1 and Lot 20 Block 42. This is the drainage that is already in place.

Thank you
Leo Americus

EXHIBIT C
Form of Quitclaim Deed

CORDOVA RECORDING DISTRICT

Recording requested by and
after recording, return to:

Thomas F. Klinkner
Birch Horton Bittner & Cherot
1127 West 7th Avenue
Anchorage, AK 99501

QUITCLAIM DEED

The CITY OF CORDOVA, an Alaska municipal corporation, whose address is P. O. Box 1210, Cordova, Alaska 99574 ("Grantor"), for good and valuable consideration in hand paid, the adequacy and sufficiency of which is hereby acknowledged, conveys and quitclaims to LEO AMERICUS, whose address is P. O. Box 2112, Cordova, Alaska 99574, all interest which Grantor has, if any, in the following described real property:

Lot 1-4, Block 42, CORDOVA ORIGINAL TOWNSITE, according to the official map and plat thereof, Plat No.1-10, on file in the office of the recorder, Cordova Recording District, Third Judicial District, State of Alaska.

DATED this _____ day of October 2011.

GRANTOR:

CITY OF CORDOVA

EXHIBIT; DO NOT SIGN

Mark Lynch, City Manager

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of October, 2011, by Mark Lynch, City Manager of the City of Cordova, an Alaska municipal corporation, on behalf of the City.

EXHIBIT; DO NOT SIGN

Notary Public in and for Alaska
My commission expires: _____

EXHIBIT D

Form of Performance Deed of Trust

CORDOVA RECORDING DISTRICT

**Recording requested by and
after recording, return to:**

**Thomas F. Klinkner, Esq.
BIRCH HORTON BITTNER & CHEROT
1127 W. 7th Avenue
Anchorage, AK 99501**

PERFORMANCE DEED OF TRUST

This PERFORMANCE DEED OF TRUST (this "Deed of Trust") is made this _____ day of October, 2011 (the "Effective Date"), by LEO AMERICUS (the "Trustor"), whose address is P.O. Box 2112, Cordova, Alaska 99574, to PACIFIC NORTHWEST TITLE OF ALASKA (the "Trustee"), whose address is 3201 C Street, Suite 110, Anchorage, Alaska 99503-3961, for the benefit of the CITY OF CORDOVA (the "Beneficiary"), whose address is P.O. Box 1210, Cordova, Alaska 99574.

1. GRANT. In consideration for the acceptance by Trustee of the trust hereunder, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the obligations of Trustor described herein, Trustor hereby grants, bargains, sells, and conveys to Trustee, in trust, with the power of sale, all of Trustor's estate, right, title, and interest in and to the following property:

Lot 1-4, Block 42, CORDOVA ORIGINAL TOWNSTIE, according to the official map and plat thereof, Plat No.1-10, on file in the office of the recorder, Cordova Recording District, Third Judicial District, State of Alaska.

Together with all improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered by this Deed of Trust (collectively, the "Property").

2. COMMENCEMENT AND SUBSTANTIAL COMPLETION OF CONSTRUCTION; OPERATIONAL OBLIGATIONS. On or before the date five (5) years after the Effective Date, Trustor shall substantially complete construction of a Residential Dwelling and any and all appurtenances and accessions thereto as required in the plan referenced in the Purchase and Sale Agreement for this Property between Trustor and Beneficiary (hereinafter referred to as the "Project"). For purposes of this Section 2 and Section 7.2 hereof, the term "substantially complete" shall mean the

stage of progress of construction when the Project, including without limitation its structure, façade and windows, roof, heating, plumbing, and lighting, are sufficiently complete so that Trustor can occupy and use the Project for its intended purposes.

3. COMPLIANCE WITH LAWS. Trustor shall comply with all federal, state, and local laws affecting the Property, neither commit nor permit any illegal act thereon or waste thereof, and shall keep all improvements on the Property in good working condition and repair.

4. WARRANTIES AND COVENANTS OF TRUSTOR. Trustor warrants, covenants, and agrees as follows:

4.1 Warranties. Trustor has full power and authority to grant the Property to Trustee.

4.2 Preservation of Lien. Trustor will preserve and protect the priority of this Deed of Trust as a first lien on the Property.

4.3 Construction. Trustor shall commence and complete construction of the Project, and will otherwise fulfill all of his covenants and obligations to Beneficiary relating in any way to such construction, in accordance with the terms and conditions of this Deed of Trust.

4.4 Right of Inspection. Trustor shall permit Beneficiary, or its agents, at all reasonable times, to enter upon and inspect the Property for purposes of ensuring Trustor's compliance with this Deed of Trust.

4.5 Further Assurances. Trustor will, at his own expense, from time to time execute and deliver any and all instruments of further assurance and do any and all such acts, or cause the same to be done, as Trustee or Beneficiary deem necessary or advisable to grant to Trustee the Property or to carry out more effectively the purposes of this Deed of Trust.

4.6 Legal Actions. Trustor will appear in and defend any action or proceeding before any court or administrative body purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and will pay all costs and expenses, including cost of evidence of title, title insurance premiums, and any fees of attorneys, appraisers, environmental inspectors, and others, incurred by Beneficiary or Trustee, in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust and in any nonjudicial foreclosure of this Deed of Trust.

4.7 Taxes, Assessments, and Other Liens. Trustor will pay with interest, not later than the due date, all taxes, assessments, encumbrances, charges, and liens on the Property or any part thereof which at any time appear to be or are alleged to be

prior and superior hereto, including without limitation any tax on or measured by rents of the Property, this Deed of Trust, or any obligation or part thereof secured hereby.

4.8 Expenses. Trustor will pay all costs, fees, and expenses reasonably incurred by Beneficiary or Trustee in connection with this Deed of Trust.

4.9 Sale, Transfer, or Encumbrance of Property. Subject to Section 7 hereof, Trustor shall not, without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld, sell, transfer, or otherwise convey the Property or any interest therein, further encumber the Property or any interest therein, or agree to do any of the foregoing. Consent to any one such occurrence shall not be deemed a waiver of the right to require consent to any future occurrences.

5. DEFAULT. In the event Trustor fails to commence or substantially complete the construction of the Project within the times set forth in Section 2 hereof, or if Trustor violates any other term of this Deed of Trust, Beneficiary may declare Trustor to be in default of this Deed of Trust without any notice or demand of any kind, both of which are hereby expressly waived.

6. REMEDIES UPON DEFAULT.

6.1 Foreclosure of Deed of Trust. Upon the occurrence of any event of default under this Deed of Trust, all sums secured hereby shall become immediately due and payable, without notice or demand at the option of Beneficiary, and Beneficiary may cause the Property to be sold by foreclosing this Deed of Trust in any manner then permitted by law. Trustee may act as agent for Beneficiary in conducting any such sale.

6.2 Liquidated Damages. Trustor agree that Beneficiary has sold the Property to Trustor for SIXTY-FIVE THOUSAND DOLLARS (\$65,000.00), and that part of the consideration for the sale was Trustor's completion of the Project, which benefits the public interest, including without limitation the economy of the City of Cordova. The parties understand the impracticality and difficulty of fixing Beneficiary's actual damages in the event of Trustor's default, and the parties therefore agree that TWENTY-ONE THOUSAND FOUR HUNDRED FIFTY DOLLARS (\$21,450.00) represents a reasonable estimate of the actual damages that Beneficiary would incur. This amount shall be the amount stated in any notice of default and sale that Trustee shall record as the amount due and owing to Beneficiary for Trustor's breach of his obligation under this Deed of Trust.

6.3 No Waiver. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare an event of default for failure to do so.

6.4 Remedies Cumulative. The rights and remedies accorded by this Deed of Trust shall be in addition to, and not in substitution of, any rights or remedies

available under now existing or hereafter arising under applicable law, in equity, or otherwise. All rights and remedies provided for in this Deed of Trust or afforded by law or equity are distinct and cumulative and may be exercised concurrently, independently or successively. The failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver of any default shall not constitute a waiver of any subsequent or other default.

7. TRUSTEE.

7.1 General Powers and Duties of Trustee. At any time or from time to time, upon an event of default, without liability therefor and without notice and without affecting the liability of any person for the payment of the indebtedness secured hereby, and only upon written request of Beneficiary, payment of its own fees and presentation of this Deed of Trust, Trustee may:

7.1.1 Join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; or

7.1.2 Reconvey, without warranty, all or any part of the Property.

7.2 Reconveyance. Upon the Trustor's satisfactory performance of the obligations set forth in Section 2 hereof, Beneficiary shall request Trustee to reconvey the Property. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs and any attorneys' fees and costs. Beneficiary may charge such person or persons a fee for reconveying the Property.

7.3 Powers and Duties on Default. Upon written request therefor by Beneficiary specifying the nature of the default, or the nature of the several defaults, and the amount or amounts due and owing, Trustee shall execute a written notice of default and of its election to cause the Property to be sold to satisfy the obligation secured hereby, and shall cause such notice to be recorded and otherwise given according to law.

Notice of the sale shall have been given as then required by law and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell the Property at the time and place of sale specified in the notice, as provided by statute, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest and best bidder for cash in lawful money of the United States, payable at the time of sale. Trustor agree that such a sale (or a sale pursuant to judicial foreclosure) of all the Property as real estate constitutes a commercially reasonable disposition thereof. Trustee may postpone the sale of all or any portion of the Property, and from time to time thereafter may postpone such sale, as provided by statute. Trustee shall deliver to the purchaser its deed and bill of sale conveying the Property so sold, but without any

covenant or warranty, express or implied. The recital in such deed and bill of sale of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person other than Trustee, including Trustor or Beneficiary, may purchase at such sale.

After deducting all of the costs, fees and expenses of Trustee and of this trust, including the cost of title search and title insurance and reasonable attorneys' fees in connection with the sale, Trustee shall apply the proceeds of sale to payment of all sums secured hereby in such order as Beneficiary may determine; and the remainder, if any, to the party or parties entitled thereto.

7.4 Acceptance of Trust. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

7.5 Reliance. Trustee, upon presentation to it of an affidavit signed by Beneficiary setting forth facts showing a default by Trustor under this Deed of Trust, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

7.6 Replacement of Trustee. Beneficiary may, from time to time, as provided by statute, appoint another trustee in place and stead of Trustee herein named, and thereupon Trustee herein named shall be discharged and the trustee so appointed shall be substituted as Trustee hereunder, with the same effect as if originally named Trustee herein.

8. HAZARDOUS SUBSTANCES.

8.1 Covenants and Agreements. Trustor hereby covenants and agrees as follows:

8.1.1 Trustor will not cause or permit any Hazardous Substance to be brought upon, kept, used or generated by Trustor, his associates, successors, assigns, heirs, agents, employees, contractors or invitees, in the operation of the Property unless the use or generation of the Hazardous Substance is necessary for the reasonable use of Trustor's residence and is in compliance with all Environmental Laws.

8.1.2 Trustor will at all times and in all respects use his best effort to comply with all Environmental Laws. Trustor's duty of compliance with Environmental Laws includes without limitation the duty to undertake the following specific actions: (1) Trustor will, at own his expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required by all Environmental Laws, including without limitation permits required for discharge of (appropriately treated) Hazardous Substances into the ambient air or any sanitary sewers serving the Property; and (2) except as discharged into the ambient air or a sanitary sewer in strict compliance with all applicable Environmental Laws, any and all Hazardous Substances to be treated and/or disposed by Trustor will

be removed and transported solely by duly licensed transporters to a duly licensed treatment and/or disposal facility for final treatment and/or disposal (except when applicable Environmental Laws permit on-site treatment or disposal in a sanitary landfill).

8.1.3 At any time, and from time to time, if Trustee so requests, Trustor shall produce a report with an environmental review, audit, and/or assessment relating to the Property at the sole cost and expense of Trustor, by an independent environmental consultant selected by Trustor and not objected to by the Trustee in writing within 30 days after receipt of notification of Trustor's selection.

8.1.4 Trustor will, at his sole expense, take all actions as may be necessary or advisable for the clean-up of Hazardous Substances on or with respect to the Property, including without limitation all removal, containment and remedial actions in accordance with all applicable laws, and shall further pay or cause to be paid all clean-up, administrative and enforcement costs of governmental agencies with respect to Hazardous Substances on or with respect to the Property if obligated to do so by contract or by law. Trustor will immediately notify the Trustee should Trustor (1) become aware of any actual or potential liability with respect to Hazardous Substances stored, disposed or released in, on or about the Property, (2) receive any notice of, or become aware of, any actual or alleged violation with respect to the Property of any federal, state or local statute, ordinance rule, regulation or other law pertaining to Hazardous Substances, (3) receive any written request for information or for an inspection of the Property by any governmental authority with respect to any Hazardous Substances or Environmental Laws, or (4) become aware of any lien or action with respect to any of the foregoing. Trustee may require from Trustor assurances that Trustor is taking all actions as may be reasonably required for the clean-up of Hazardous Substances in or with respect to any of the Property; provided, that for all purposes under this Section, Trustor shall, upon the Trustee's request therefor, provide the Trustee with, and the Trustee shall be fully protected in relying upon, without further investigation or further duty to determine whether any removal, containment and/or remedial actions are satisfactory, either (A) the written approval of such actions by any independent environmental consultant selected by Trustor and not objected to in writing by Trustee or Beneficiary within 30 days after receipt of notification of Trustor's selection; or (B) written notice from Trustor that he is contesting in good faith any such requirement by appropriate legal proceedings.

8.2 Definitions. As used in this Section 8:

8.2.1 “Environmental Laws” means all laws and regulations, now or hereafter in effect, with respect to Hazardous Substances, including without limitation the Comprehensive Environmental response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.), and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), and any state or local similar laws and regulations and any so-called local, state or federal “superfund” or “superlien” law.

8.2.2 “Hazardous Substance” means any substance or material now or hereafter defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any Environmental Laws.

9. CONDEMNATION. Trustor shall promptly notify Beneficiary of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property or any part thereof, and Trustor shall appear in and prosecute any such action or proceeding unless otherwise directed by Beneficiary in writing. Upon the occurrence and continuance of a default under this Deed of Trust, Trustor authorizes Beneficiary, at Beneficiary’s option, as attorney-in-fact for Trustor, to commence, appear in, and prosecute, in Beneficiary’s or Trustor’s name, any action or proceeding relating to any condemnation or other taking of the Property whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking.

10. MISCELLANEOUS.

10.1 Time of Essence. Time is of the essence of this Deed of Trust.

10.2 Binding Upon Successors and Assigns. Subject to the provisions of applicable law with respect to successor trustees, this Deed of Trust shall be binding on and inure to the benefit of the parties, his successors and assigns.

10.3 Beneficiary's Right to Perform Obligations of Trustor. If Trustor fails to perform the covenants and agreements contained or incorporated in this Deed of Trust, or if any action or proceeding is commenced which affects the Project or title thereto or the interest of Beneficiary therein (including without limitation any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding or eminent domain proceeding), then Beneficiary, at Beneficiary’s option may make such appearance, disburse such sums, and take such action as Beneficiary deems necessary in its sole discretion, to protect Beneficiary’s interest, including without limitation (i) disbursement of attorneys’ fees and expenses; (ii) entry upon the Property to make repairs; and (iii) procurement of satisfactory insurance. Trustor shall reimburse

Beneficiary for all reasonable costs incurred by Beneficiary in taking any said action, together with interest from the date of expenditure until repaid at two percent per annum over the rate of interest announced by the Trustee as its prime rate from time to time, but in any event, not greater than the maximum rate of interest permitted by Alaska law. Such sums shall become a part of the obligations of Trustor secured by this Deed of Trust and be payable by Trustor on demand. Trustor agrees that the amounts described in this section constitute necessary expenditures for the preservation of Beneficiary's security and, to the extent permitted by law, such amounts shall have a lien priority date as of the date of recording of this Deed of Trust.

Such action by Beneficiary shall not constitute a waiver of the default or any other right or remedy which Beneficiary may have on account of Trustor's default. Nothing in this Section 10.3 shall require Beneficiary to incur any expense or take any action.

10.4 Notices. Notices under this Deed of Trust shall be in writing and shall be sufficiently given if addressed and mailed by first-class, certified, or registered mail, postage prepaid, to a party at the address set forth above, or such other address as a party may indicate by written notice to the others. All notices shall be deemed served upon deposit of such notice in the United States Postal Service in the manner above provided.

10.5 Captions. All captions used in this Deed of Trust are intended solely for convenience of reference and shall not limit, expand or otherwise affect any of the provisions of this Deed of Trust.

10.6 Invalid Provisions to Affect No Others. If any of the provisions contained in this Deed of Trust shall be invalid, illegal, or unenforceable in any respect, the validity of the remaining provisions contained herein shall not be affected thereby.

10.7 Changes in Writing. This Deed of Trust and any of its terms may only be changed, waived, discharged, or terminated by a writing signed by Beneficiary.

10.8 Applicable Law. This Deed of Trust, and the terms and conditions herein shall be construed, applied, and enforced in accordance with the laws of the State of Alaska.

10.9 Parties Interested Herein. Nothing in this Deed of Trust, express or implied, is intended or shall be construed to give to any person, other than Trustor, Beneficiary, and Trustee any right, remedy or claim under or by reason of this Deed of Trust. The covenants, stipulations and agreements in this Deed of Trust contained are and shall be for the sole and exclusive benefit of Trustor, Beneficiary, and Trustee, and his successors and assigns.

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

TRUSTOR:

LEO AMERICUS
EXHIBIT; DO NOT SIGN

By: _____
Leo Americus

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of October, 2011, by Leo Americus.

EXHIBIT; DO NOT SIGN

Notary Public in and for Alaska
My commission expires: _____

A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

DATE: December 28, 2011
TO: Mayor and City Council
SUBJECT: Substitute Ordinance 1091

Substitute Ordinance 1091 passed at first reading on December 21, 2011. Ordinance 1091 was before you for first reading at the December 7, 2011 meeting. Council had concerns about the wording of the ordinance and referred it to staff. Tom Klinkner had written this ordinance and so he edited it, in a way that captured Council's concern. It came back as Substitute Ordinance 1091 and is now before you for a public hearing and second reading.

Recommended Motion: Move to approve Substitute Ordinance 1091

Required Action: Majority roll call vote or approval of the consent calendar

**CITY OF CORDOVA, ALASKA
SUBSTITUTE ORDINANCE 1091**

AN ORDINANCE OF THE CITY OF CORDOVA, ALASKA, AUTHORIZING A BORROWING IN ANTICIPATION OF THE RECEIPT OF REVENUES OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,793,918.60 TO FINANCE PART OF THE COST OF THE CORDOVA CENTER PROJECT; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, the City of Cordova (the "City") has determined that it is necessary and desirable that the Cordova Center Project (the "Project") be acquired and constructed; and

WHEREAS, the City will fund a portion of the cost of the Project through a grant from the *Exxon Valdez* Oil Spill Trustee Council in the amount of \$7,000,000; and

WHEREAS, the City has appropriated the sum of \$7,000,000 from grant funds to be received from the *Exxon Valdez* Oil Spill Trustee Council to pay costs of the Project; and

WHEREAS, under Article VI, Section 6-2 of the City Charter, the City has the power to borrow money to meet appropriations for any fiscal year in anticipation of the collection of revenues for that year, when authorized by the council by ordinance, and without submitting the question to the voters; and

WHEREAS, in accordance with Article VI, Section 6-2 of the City Charter, the principal amount of the loan, combined with the outstanding principal amount of all other revenue anticipation indebtedness of the City, does not exceed \$2,793,918.60, which is one percent of the assessed value of all real and personal property in the City; and

WHEREAS, it is necessary and in the best interest of the City that City borrow the sum of \$2,793,918.60 in anticipation of the collection of revenues to meet the appropriation from grant funds to be received from the *Exxon Valdez* Oil Spill Trustee Council to pay costs of the Project.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cordova, that:

Section 1. the City Council of the City of Cordova, Alaska, hereby authorizes the borrowing by the City of the sum of not to exceed \$2,793,918.60 in anticipation of the collection of revenues to meet the appropriation from grant funds to be received from the *Exxon Valdez* Oil Spill Trustee Council to pay costs of the Project. The loan shall mature no later than the end of the fiscal year following the fiscal year in which the term of the loan commences.

Section 2. The City Manager is authorized to negotiate a contract for the loan which is in the best interest of the City, such contract to be subject to approval by the Council by resolution.

Section 3. This ordinance shall be effective thirty (30) days after its passage and publication. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of

the City of Cordova, Alaska, and published in the Cordova Times, a newspaper of general circulation in the City, within ten (10) days after its passage.

1st reading: December 21, 2011

2nd reading and public hearing: January 4, 2012

PASSED AND APPROVED THIS 4th DAY OF JANUARY, 2012.

Jim Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk

A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

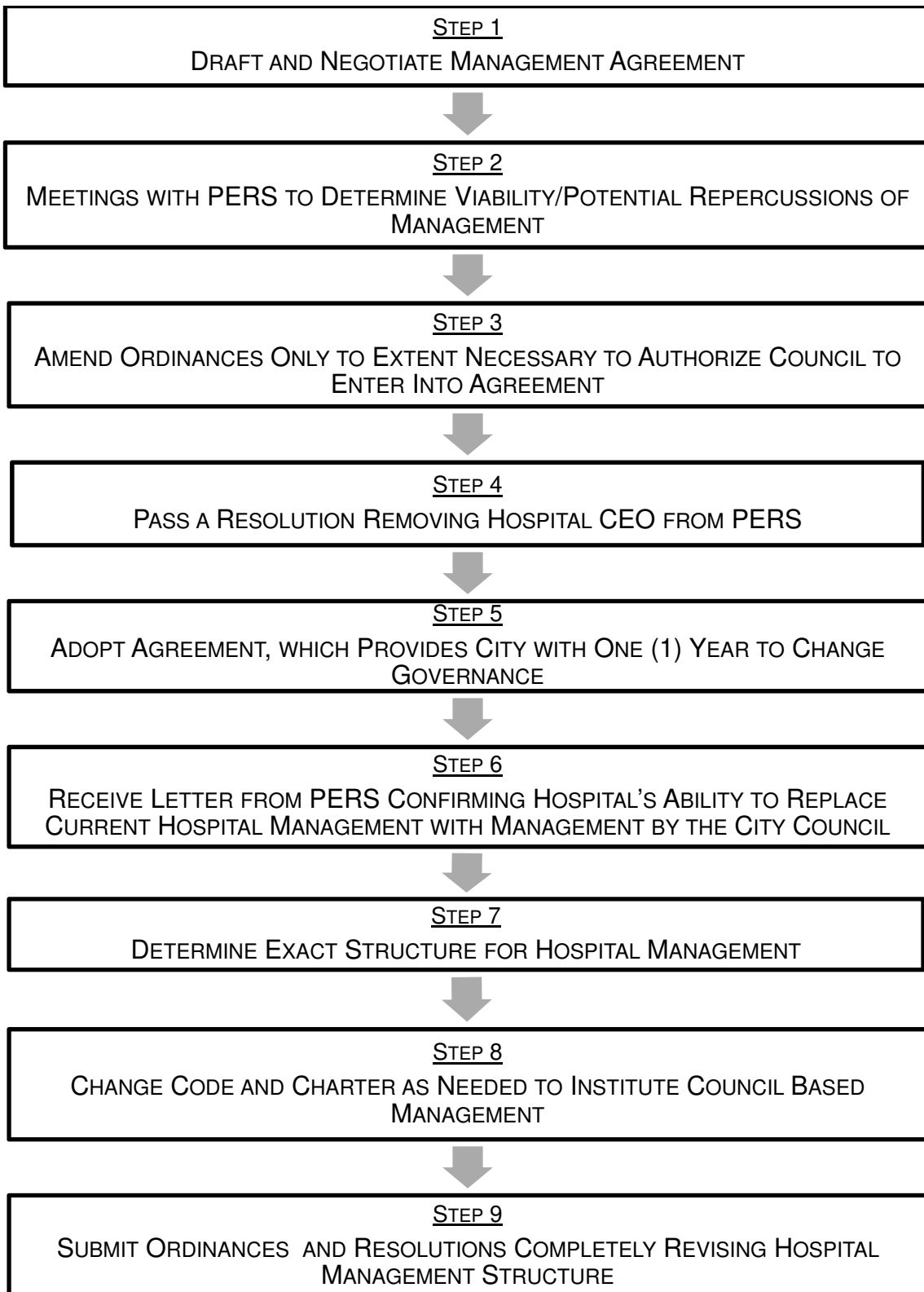
DATE: December 28, 2011
TO: Mayor and City Council
SUBJECT: Ordinances 1092 & 1093

These ordinances passed first reading on December 21, 2011, however, Council asked for more information before second reading. There was a Council work session on December 27, 2011 at which City Attorney Holly Wells explained a proposed timeline of events that included ordinance changes such as these two in a very strategic manner that would help to accomplish the management contract between the City and Providence for CCMC. These ordinances are before you now for public hearing and second reading.

Recommended Motion: Move to approve Ordinances 1092 & 1093

Required Action: Majority roll call vote or approval of the consent calendar

**STEP BY STEP PROCESS
FOR
HOSPITAL MANAGEMENT TRANSITION**



MEMORANDUM

TO: CITY OF CORDOVA CITY COUNCIL

FROM: HOLLY C. WELLS, BIRCH HORTON BITTNER & CHEROT

RE: ORDINANCES 1092 AND 1093

CLIENT: CITY OF CORDOVA, ALASKA

FILE NO.: 401,777.194

DATE: DECEMBER 14, 2011

Purpose of City of Cordova Ordinances 1092 and 1093

The City of Cordova (“City”) Administration has been working diligently to negotiate an agreement with Providence Medical Center (“Providence”) for the management of the Cordova Community Medical Center (“CCMC”). The Administration hopes that private management of the hospital will result in more efficient, available, and cost-effective medical services for the community. City Ordinance 1092 is designed to unequivocally authorize the City Council to engage the services of a hospital management company, whether it be Providence or some other entity in the future. City Ordinance 1093 serves to amend the City Municipal Code to increase the City Manager’s ability to authorize purchases without Council approval from \$15,000 to \$25,000. The latter amendment will ultimately permit the City Manager to provide Providence, or any other management company employed by the City, with the authority to purchase supplies and services as needed so long as the cost of such supplies and services do not exceed \$25,000. If these amendments are approved by the Council, the City Administration intends to put forth an agreement for management services between Providence and the City at the next regular meeting. The terms of the agreement are currently being reviewed by the Health Services Board.

CITY OF CORDOVA, ALASKA
ORDINANCE 1092

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
ENACTING CORDOVA MUNICIPAL CODE 14.28.005, DEFINITIONS; AND AMENDING
CORDOVA MUNICIPAL CODE 14.28.010, COMMUNITY HEALTH SERVICES BOARD,
14.28.020, ADMINISTRATION, AND 14.28.050, SCHEDULE OF REVENUE, TO PROVIDE
FOR THE CITY COUNCIL TO CONTRACT FOR ADMINISTRATION OF THE CORDOVA
COMMUNITY MEDICAL CENTER

WHEREAS, the City of Cordova, Alaska (“City”) is hoping to streamline operations of the Cordova Community Medical Center (“Hospital”) and reduce the amount of revenue lost by the Hospital annually; and

WHEREAS, it is in the City’s best interest to employ a management company to ensure the efficient and cost effective management of the Hospital; and

WHEREAS, the City Council anticipates that the use of a management company will also increase the quality and availability of medical services in the community; and

WHEREAS, Cordova Municipal Code Section 14.28 did not provide for the use of a management company by the City;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cordova, that:

Section 1. Cordova Municipal Code 14.28.005, Definitions, is enacted to read as follows:

14.28.005 - Definitions. As used in this chapter:

“Administrator” means a city employee appointed by the city to administer the CCMC, a contract administrator or, where the context requires, the employee that the contract administrator designates as administrator of the CCMC.

“Board” means the community health services board.

“CCMC” means the Cordova Community Medical Center, which consists of an acute care hospital, long term care facility and clinic, and other health care facilities operated by the city.

“Contract administrator” means an entity with whom the city contracts to administer and/or manage the CCMC.

Section 2. Cordova Municipal Code 14.28.010, Community health services board, is amended to read as follows:

14.28.010 - Community health services board.

A. There shall be a board known as the community health services board which shall be composed of seven voting members, including specifically at least one city council member, who shall also serve as liaison to the city council, and one member of the tribal council of the Native Village of Eyak. No employee of the CCMC or the administrator ~~city medical center or subsidiary~~ shall be eligible to serve on the board. Members of the board shall be appointed by the mayor and confirmed by the city council for three years; except, however, that in the first instance, three shall be appointed for three years, two for two years, and two for one year.

A subcommittee of the board to provide guidance to the mental health and alcohol programs and develop and present the mental health and alcohol budget to the board shall be appointed by the board. At least one of the subcommittee members shall be a voting board member.

B. General Powers. Subject to state and municipal law and the authority of the city council, the board shall be responsible for the operations of Cordova Community Medical

Center, and of all medical centers, clinics, and other public health facilities owned or operated by the city, and shall make and enforce all rules and regulations necessary for the administration of Cordova Community Medical Center, and all medical centers, clinics, and other public health facilities operated by the city, and shall prescribe the terms under which patients shall be admitted thereto. Standards of operation shall be established and enforced, to the extent possible, by the board. The board shall advise the city council on all matters regarding community health problems in and around the city. To the extent approved by the city council, the powers of the board may be delegated to a contract administrator.

C. Adoption of By-laws. The board shall adopt by-laws for the administration and government of hospitals, medical centers, clinics, and other community health facilities. Adoption of the by-laws by the board shall be subject to approval of the by-laws by the city council.

D. Organization. The board shall elect annually from its members a president, a vice-president and secretary and such other officers as it deems necessary. The board shall establish such committees and shall assign such duties and responsibilities to the committees as it deems necessary.

E. Vacancies. When a vacancy on the board exists the mayor shall be notified immediately and the mayor shall appoint a new member for the unexpired term, the appointment to be confirmed by the city council.

F. Removal. The city council may remove a member of the board upon fifteen days' written notice of removal to the board member.

G. Meetings. The board shall meet at least once each month at a time and place to be designated by the board, and notice of and agenda of all meetings shall be posted at a public location in the CCMC ~~medical center~~, and at the city hall. All meetings of the board shall be open to the public; except that the board may meet in executive session, pursuant to notice, to discuss:

1. Matters the immediate knowledge of which would clearly have an adverse effect upon the finance of the government unit;
2. Subjects that tend to prejudice the reputation and character of any person; provided, that the person may attend the discussion and request a public discussion;
3. Matters which, by law, municipal charter or ordinance, are required to be confidential;
4. Matters involving consideration of governmental records that by law are not subject to disclosure;
5. Direction to an attorney or labor negotiator regarding the handling of a specific legal matter or pending labor negotiations.

H. Reports. The board shall, on or before sixty days prior to the end of the fiscal year, submit to the city council a detailed and itemized estimate of revenues and a detailed and itemized budget for the next fiscal year.

I. Membership in Association. The board may maintain membership in any local, state, or national group or association organized and operated for the promotion of the public health and welfare or the advancement of the efficiency of medical center and community health facilities administration and in connection therewith, pay dues and fees thereto.

Section 3. Cordova Municipal Code 14.28.020, Administration, is amended to read as follows:

14.28.020 - Administration.

A. All personnel necessary to operate the CCMC , ~~except for employees of a contract administrator, medical center or community health facilities~~ shall be subject to personnel, pay, and classification plans for CCMC ~~city medical center~~ employees. The board may recommend personnel, pay, or classification plans to the city council, as well as other personnel policies, statements, or resolutions. No personnel, pay, or classification plan is effective unless and until it is approved by the city council. All contracts for nonmedical services which obligate the CCMC ~~Cordova Community Medical Center~~ in excess of ~~ten~~ Twenty-Five ~~Thousand~~ Thousand ~~Dollars~~, including contracts for professional or consulting services, must be approved in advance by the city council.

B. ~~Medical Center~~ Administrator. The administrator shall be the chief executive officer of the CCMC ~~health services system shall be the health services administrator.~~

1. Appointment and Termination of Administrator. The ~~health services administrator (or acting)~~ shall be appointed by the city council and may be terminated by the city council. In determining whether to appoint or terminate an individual, the city council shall consult with the community health services board. ~~The city council and the board shall each adopt a procedure by which the administrator will be evaluated by the city council and by the board. The~~ If a city employee, the health services administrator is subject to the CCMC ~~medical center classification and pay plans approved and adopted by the city council.~~

2. Duties and Responsibilities of the Administrator. The administrator is responsible for the overall supervision of the affairs of the CCMC ~~health services system~~. The administrator's or management company's authority and duties shall include without limitation, the following:

- a. To be responsible for carrying out all applicable laws and ordinances and the terms of all grants received by the health services system;
- b. To be responsible for carrying out policies established by the board and, if necessary, approved or adopted by the city council;
- c. To prepare and submit to the board a detailed and itemized estimate of revenues and a detailed and itemized budget at least ninety days prior to the end of the fiscal year, for the next fiscal year;
- d. To prepare and submit to the board a plan of organization for the personnel and others concerned with the CCMC ~~medical center~~;
- e. To select, employ, control, and discharge all CCMC ~~city medical center~~ ~~center~~ employees subject to the provisions of any CCMC ~~center~~ personnel plans;
- f. To work with the professional staff and with those concerned with the rendering of professional services to the end that the best possible care may be rendered to all patients;
- g. To prepare such reports as may be required on any phase of medical center activity;
- h. To attend all meetings of the board and standing committees established by the board, except where otherwise specified;
- i. To supervise all purchasing of equipment and supplies in accordance with policy and procedures established by the board and approved by the city council;
- j. To perform any other duty that may be necessary in the best interest of the city medical center system.

Section 4. Cordova Municipal Code 14.28.050, Schedule of revenue, is amended to read as follows:

14.28.050 - Schedule of revenue. Finances of the CCMC ~~various community health facilities owned or leased by the city and operated under the direction of the community health services board~~ shall be in accordance with city, state and federal laws and regulations, those regulations generally prescribed by any accrediting associations as may apply and as the city council and board determines to accept. For all checks issued from CCMC medical center funds, two signatures shall be required. The ~~health services board~~ may, by board policy, establish a monetary cap and checks exceeding the monetary cap shall require the signature of the administrator and a member of the board and checks not exceeding the monetary cap shall require the signature of the administrator and a CCMC employee to be designated by the board HSB. In absence of the health services administrator checks shall be signed as established by board policy.

A. Schedule of Charges. A schedule of revenue for each classification as incorporated in the budget shall be approved annually or more frequently as need may arise by the board. The city council may, through taxation or other lawful method of obtaining funding, provide additional or supplemental funding of community health services operations.

B. Preparation and Submission of Budget.

1. The ~~health service administrator, and any other community health service administrator so designated by the board or city council,~~ shall prepare an annual budget in accordance with approved CCMC city medical procedures and shall submit such budget(s) to the board for approval. The board shall submit such budget(s) to the city council with its recommendations by no later than sixty days prior to the end of the fiscal year.

2. The city council, in accordance with Section 5-4 of the City Charter, by vote of at least a majority of its members no later than the third day before the beginning of the fiscal year, shall adopt budget appropriations of the next fiscal year. If the council fails to adopt the budget and make appropriations on or before that day, the budget and rate changes if any, as submitted or as amended as the case may be, shall go into effect and the proposed expenditures therein shall become the appropriations for the next fiscal year.

C. Other Fiscal Matters. All other fiscal matters including, but not limited to, custody of funds, accounting and collection, shall be governed by general accounting procedures.

Section 5. This ordinance shall be effective thirty (30) days after its passage and publication. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska, and published in the Cordova Times, a newspaper of general circulation in the City, within ten (10) days after its passage.

1st reading: December 21, 2011

2nd reading and public hearing: January 4, 2012

PASSED AND APPROVED THIS 4th DAY OF JANUARY, 2012.

Jim Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk

CITY OF CORDOVA, ALASKA
ORDINANCE 1093

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, AMENDING CORDOVA MUNICIPAL CODE 5.12.040, COUNCIL APPROVAL OF CONTRACTS; 5.12.050, CONTRACT AMENDMENTS; AND 5.12.140, OPEN MARKET PROCEDURE; TO INCREASE TO \$25,000 THE AMOUNT OF A CONTRACT THAT THE CITY MANAGER MAY EXECUTE, AND AWARD BY OPEN MARKET PROCEDURE, WITHOUT CITY COUNCIL APPROVAL

WHEREAS, The City of Cordova, Alaska (“City”) enters into numerous contracts for supplies, services and construction; and

WHEREAS, prices of supplies, services and construction have increased substantially since the City Manger’s procurement authority was limited to \$15,000 in 1998; and

WHEREAS, it is in the City’s best interest to ensure efficient management and operations within the City; and

WHEREAS, increasing to \$25,000 the amount of a contract that the City Manager may execute and award without Council approval, ensures efficient management and operations within the City; and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cordova, that:

Section 1. Cordova Municipal Code Section 5.12.040 is amended to read as follows:

5.12.040 - Council approval of contracts.

No contract for supplies, services or construction which obligates the city to pay more than ~~fifteen~~ Twenty-Five Thousand Dollars may be executed unless the council has approved a memorandum setting forth the following essential terms of the contract:

- A. The identity of the contractor;
- B. The contract price;
- C. The nature and quantity of the performance that the city shall receive under the contract; and
- D. The time for performance under the contract.

Section 2. Cordova Municipal Code Section 5.12.050 is amended to read as follows:

5.12.050 - Contract amendments.

A. All amendments to contracts for supplies, services and construction, including change orders, shall be approved in writing by the city manager, subject to council approval where required under this section. Contract amendments shall not be used to avoid procurement by the competitive procedures established under this chapter.

B. No contract amendment which will cause the total price of the contract, as amended, to exceed the greater of ~~fifteen~~Twenty-Five Thousand Dollars or one hundred ten percent of the original contract price may be executed unless the council has approved a memorandum setting forth any modifications to the essential terms of the contract.

[ADDED LANGUAGE UNDERLINED, REMOVED LANGUAGE STRICKEN OUT]

Section 3. Cordova Municipal Code Section 5.12.140 is amended to read as follows:

5.12.140 - Open market procedure.

A. The city manager may procure all supplies, services and construction having an estimated value of not more than Twenty-Five ~~fifteen~~ Thousand Dollars on the open market without formal advertising or other formal bid procedures. The city manager shall keep a written record of all bids received and awards made under this section.

B. Whenever practicable, at least three informal bids or quotations shall be solicited for any procurement under this section. The solicitation may be either oral or written, and shall be in a form reasonably calculated to yield the lowest responsive bid by a responsible bidder. Whenever practicable, the contract shall be awarded to the lowest responsive and responsible bidder.

Section 4. This ordinance shall be effective thirty (30) days after its passage and publication. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska, and published in the Cordova Times, a newspaper of general circulation in the City, within ten (10) days after its passage.

1st reading: December 21, 2011

2nd reading and public hearing: January 4, 2012

PASSED AND APPROVED THIS 4th DAY OF JANUARY, 2012.

Jim Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk

[ADDED LANGUAGE UNDERLINED, REMOVED LANGUAGE STRICKEN OUT]

Ord. 1093

Page 2 of 2