

**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

**Student Council**

**REGULAR COUNCIL MEETING**

**AUGUST 03, 2011 @ 7:30 PM**

**LIBRARY MEETING ROOM**

**AGENDA**

**A. CALL TO ORDER**

**B. INVOCATION AND PLEDGE OF ALLEGIANCE**

I pledge allegiance to the Flag of the United States of America, and to the republic for which it stands, one Nation under God, indivisible with liberty and justice for all.

**C. ROLL CALL**

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

**D. APPROVAL OF REGULAR AGENDA..... (voice vote)**

**E. DISCLOSURES OF CONFLICTS OF INTEREST**

**F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Guest Speakers - None
2. Audience comments regarding agenda items..... (3 minutes per speaker)
3. Chairpersons and Representatives of Boards and Commissions  
(Harbor, HSB, Parks & Rec, P&Z, School Board)

**G. APPROVAL OF CONSENT CALENDAR..... (roll call vote)**

4. Record unexcused absence of Council member Jim Kacsh from the 07-20-11 Regular Meeting
5. Proclamation of Appreciation to Sandra Aspen..... (page 1)
6. Proclamation of Appreciation to Kerin Kramer..... (page 2)
7. Proclamation honoring Ilanka Clinic during Community Health Center Week..... (page 3)
8. Ordinance 1084..... (page 5)  
An ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lot Three (3), Block Two (2), South Fill Development Park to David and Bootslyn Roemhildt - 1<sup>st</sup> reading
9. Ordinance 1085..... (page 34)  
An ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lot Five (5), Block Two (2), South Fill Development Park to David and Bootslyn Roemhildt - 1<sup>st</sup> reading
10. Resolution 08-11-36..... (page 63)  
A resolution of the City Council of the City of Cordova, Alaska pledging a firm monetary commitment sufficient to complete construction of the Cordova Center Project equal to any funding deficit

**H. APPROVAL OF MINUTES..... (voice vote)**

11. December 08, 2010 Council Work Session Minutes..... (page 67)
12. July 06, 2011 Public Hearing Minutes..... (page 70)
13. July 20, 2011 Regular Meeting Minutes..... (page 71)
14. July 20, 2011 Council Joint Work Session with HSB..... (page 75)

**I. CONSIDERATION OF BIDS**

**J. REPORTS OF OFFICERS**

- 15. Mayor's Report
- 16. Manager's Report
- 17. City Clerk's Report
- 18. Staff Reports
  - a. **Josh Hallquist**, COR, Cordova Center Project..... (page 78)
  - b. **Cathy Sherman**, Cordova Center Phase 2
  - c. **Moe Zamarron**, Director of Public Works Department, ..... (page 80)  
Water & Sewer Projects update
  - d. **Dale Muma**, Harbormaster, report on 'Old Harbor' needs..... (page 81)
- Department Quarterly Reports
  - a. Director of Parks and Recreation, Susie Herschleb..... (page 82)

#### **K. CORRESPONDENCE**

- 19. Letter from PWSSC in re land acquisition (& background material)..... (page 85)
- 20. Letter from Ocean Beauty in re land acquisition..... (page 92)
- 21. Letter from Jai Kim, P.E., Ph.D. in re Concern about truss bridges..... (page 93)

#### **L. ORDINANCES AND RESOLUTIONS**

#### **M. UNFINISHED BUSINESS**

- 22. Review of Performance Deed of Trust Criteria for Lots 1-4, Block 42, ..... (page 97)  
Cordova Original Townsite
- 23. Health Care Management RFP – follow up questions with answers..... (page 104)

#### **N. NEW & MISCELLANEOUS BUSINESS**

- 24. Council concurrence of Mayor's appointment to fill vacancy on the HSB..... (page 105)
- 25. Pending Agenda and Calendar..... (page 106)

#### **O. AUDIENCE PARTICIPATION**

#### **P. COUNCIL COMMENTS**

- 26. Council Comments

#### **Q. EXECUTIVE SESSION**

- 27. Cordova Center financial update
- 28. Attorney advice regarding negotiations with AIGC regarding ATS 1004
- 29. Attorney advice regarding potential HIPAA concerns with ambulance billing

#### **R. ADJOURNMENT**

Executive Sessions: Subjects which may be discussed are: (1) Matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government; (2) Subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion; (3) Matters which by law, municipal charter or code are required to be confidential; (4) Matters involving consideration of governmental records that by law are not subject to public disclosure. **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](http://www.cityofcordova.net)



# CITY OF CORDOVA, ALASKA PROCLAMATION

## PROCLAMATION OF APPRECIATION TO KERIN KRAMER

**I, Mayor James Kallander, do hereby issue this Proclamation of Appreciation to Kerin Kramer for her valuable contribution to the City of Cordova.**

**WHEREAS, Kerin Kramer** was appointed to the Health Services Board in September 2009; and

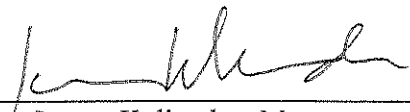
**WHEREAS,** she has spent many personal hours in regular meetings, special meetings and work sessions participating in discussions and helping make important decisions that affect the citizens of the City of Cordova; and

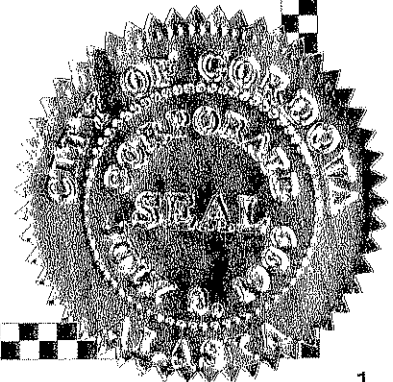
**WHEREAS,** she spent even more personal hours as an integral part of the strategic planning task force in an effort to address the Health Care needs of Cordovans; and

**WHEREAS,** she has worked toward a better community for the citizens of Cordova by impartially weighing all sides of issues and listening attentively to the facts and history of items that appear before the Health Services Board.

**NOW, THEREFORE, BE IT PROCLAIMED** that the Mayor, City Council members and citizens of Cordova do hereby express their sincere appreciation to **Kerin Kramer** for the devotion of her time and effort while serving as a member of the Health Services Board for the City of Cordova, Alaska.

**SIGNED THIS 3<sup>rd</sup> DAY OF AUGUST, 2011**

  
James Kallander, Mayor



# CITY OF CORDOVA, ALASKA PROCLAMATION

## PROCLAMATION OF APPRECIATION TO SANDRA CLEVELAND ASPEN, PhD RN

**I, Mayor James Kallander, do hereby issue this Proclamation of Appreciation to Sandra Cleveland Aspen for her valuable contribution to the City of Cordova.**

**WHEREAS, Sandra Cleveland Aspen** was appointed to the Health Services Board in October 2009; and

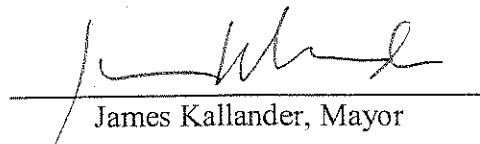
**WHEREAS, she** has spent many personal hours in regular meetings, special meetings and work sessions participating in discussions and helping make important decisions that affect the citizens of the City of Cordova; and

**WHEREAS, she** spent even more personal hours as an integral part of the strategic planning task force in an effort to address the Health Care needs of Cordovans; and

**WHEREAS, she** has worked toward a better community for the citizens of Cordova by impartially weighing all sides of issues and listening attentively to the facts and history of items that appear before the Health Services Board.

**NOW, THEREFORE, BE IT PROCLAIMED** that the Mayor, City Council members and citizens of Cordova do hereby express their sincere appreciation to **Sandra Cleveland Aspen** for the devotion of her time and effort while serving as a member of the Health Services Board for the City of Cordova, Alaska.

**SIGNED THIS 3<sup>rd</sup> DAY OF AUGUST, 2011**

  
James Kallander, Mayor



**CITY OF CORDOVA, ALASKA  
HEALTH CENTER WEEK PROCLAMATION  
HONORING THE ILANKA COMMUNITY HEALTH CENTER  
IN CORDOVA, ALASKA**

**August 7-13, 2011**

**WHEREAS**, Community Health Centers like the Ilanka Clinic are nonprofit, community directed providers of health care to the medically underserved in Alaska;

**WHEREAS**, Community Health Centers like the Ilanka Clinic ensure access to high-quality primary and preventive health care and other medical services, integrated with outreach, patient education, translation and other case management/wrap around services, for 18 million people in the United States, including over 86,000 individuals each year in Alaska;

**WHEREAS**, Community Health Centers like the Ilanka Clinic provide high quality health care to the uninsured, under-insured and hard to serve populations of Alaska, such as hard working low income families, village and frontier communities (often as the sole medical provider), and rural veterans;

**WHEREAS**, Community Health Centers like the Ilanka Clinic, in the midst of economic turbulence, are expanding to accommodate increased demand, treating more of our citizens, always regardless of insurance status or ability to pay;

**WHEREAS**, Community Health Centers like the Ilanka Clinic are models for managing chronic disease, curbing infant mortality and preventable death, upholding the highest quality of care in a cost-effective manner;

**WHEREAS**, strengthening the primary care system, including the community health center providers, produces a high return on investment both in terms of health care dollars saved and in quality of life for Alaskans;

**WHEREAS**, Community Health Centers like the Ilanka Clinic serve special populations often left outside of the mainstream American health care system, such as senior citizens (Medicare recipients) and seasonal laborers, (such as in the commercial fishing industry);

**WHEREAS**, Attention turns to supporting Community Health Centers like the Ilanka Clinic, as part of the commitment of this State to the provision of accessible, high-quality health care;

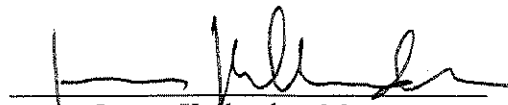
**NOW, THEREFORE, BE IT PROCLAIMED BY** Mayor James Kallander, that the week of August 7 through August 13, 2011, is hereby "National Health Center Week" in this City;

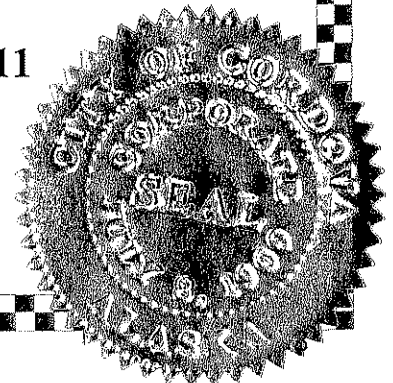
**BE IT FURTHER PROCLAIMED**, that citizens are encouraged to become aware of the accessible, high-quality primary and preventive care and other services provided by Community Health Centers like the Ilanka Clinic;

**BE IT FUTHER PROCLAIMED**, that citizens are urged to recognize the important contributions of Community Health Centers like the Ilanka Clinic in improving health and the quality of life in this City;

**BE IT FURTHER PROCLAIMED**, that this City does hereby recognize said contributions of Community Health Centers toward improving health and the quality of life.

**SIGNED THIS 3<sup>rd</sup> DAY OF AUGUST, 2011**

  
James Kallander, Mayor



**From:** APCA Advocacy Team  
**Sent:** Wednesday, May 25, 2011 3:23 PM  
**Cc:** Penney Benson  
**Subject:** National Community Health Center Week Proclamation Request

Good afternoon,

My name is Mary Sullivan, and I'm the State Affairs Coordinator for the Alaska Primary Care Association, a non-profit membership organization representing Alaska's 25 Community Health Centers who run 142 clinics statewide. CHC's serve the uninsured, underinsured and hard to serve populations of Alaska (many times in very remote places as the only medical provider).

**The Native Village of Eyak** is a CHC operating Ilanka Health Center in **Cordova**. Ilanka Health Center is celebrating **National Community Health Center Week, coming up August 7<sup>th</sup>-13<sup>th</sup>, 2011.**

Attached is a **proclamation we hope that you will consider issuing** in support of Ilanka Health Center and all they do to bring wellness and health care to your community. I am Cc'ing Penney Benson of Ilanka Health Center in case you'd like to congratulate her on the excellent work of Ilanka Health Center in your community.

Thanks very much for your consideration of issuing the attached proclamation!

Cheers,

**Mary C. Sullivan, MSW**

State Affairs Coordinator

**Alaska Primary Care Association**

903 West Northern Lights Blvd Ste 200

Anchorage AK 99503

907.727.8773 mobile

907.929.2734 fax

[mary@alaskapca.org](mailto:mary@alaskapca.org)

**Promoting primary care access for all Alaskans**

\*\*\*\*\*

[www.alaskapca.org](http://www.alaskapca.org)

Browse APCA's helpful advocacy information and resources.

# Memorandum

**To:** City of Cordova City Council  
**From:** Sam Greenwood, City Planner  
**Date:** 7/28/2011  
**Re:** Ordinance authorizing conveyance of Lot 3 Block 2, SFDP to David and Bootslyn Roemhildt

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## **PART I. GENERAL INFORMATION:**

The timeline of the disposal of the Lot3, Block 2 SFDP

1. March 8, 2011; Planning and Zoning Commission recommended disposing of the lot.
2. March 16, 2011; City Council elected to sell the lot by proposal.
3. May 31, 2011; 30 day period proposal period ended
4. June 14, 2011; Planning and Zoning Commission reviewed the proposals
5. June 28<sup>th</sup>, 2011; City Council Awarded Lot 3 block 2 SFDP to David and Bootslyn Roemhildt
6. July 20, 2011 meeting the Performance Deed of Trust terms were created and approved by City Council

At this time the Purchase Agreement, Performance Deed of Trust, and Quit Claim Deed is presented to City Council for its review. Also included is the Ordinance to convey Lot 3, Block 2 South Fill Development Park to David and Bootslyn Roemhildt.

## **Recommended Motion**

### **Motion for adoption:**

"I move to adopt Ordinance 1084 an ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lot Three (3), Block Two (2), South Fill Development Park to David and Bootslyn Roemhildt"

**CITY OF CORDOVA  
ORDINANCE 1084**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA,  
ALASKA, AUTHORIZING THE SALE OF LOT THREE (3), BLOCK TWO (2),  
SOUTH FILL DEVELOPMENT PARK TO DAVID AND BOOTSLYN ROEMHILDT**

**WHEREAS**, pursuant to CMC 5.22.030, the City of Cordova solicited proposals for the purchase of Lot Three (3), Block Two (2), South Fill Development Park (the "Property"); and

**WHEREAS**, the Council finds that the proposal submitted by David and Bootslyn Roemhildt is the best proposal for the purchase of the Property; and

**WHEREAS**, the purchase price proposed by David and Bootslyn Roemhildt is not less than appraised fair market value of the Property; and

**WHEREAS**, in selecting the proposal of David and Bootslyn Roemhildt 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, Warranty 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 David and Bootslyn Roemhildt in accordance with the terms in the Purchase and Sale Agreement. The form and content of the Purchase and Sale Agreement, Warranty 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.

1<sup>st</sup> reading: August 3, 2011

2<sup>nd</sup> reading and public hearing: \_\_\_\_\_

**PASSED AND APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2011.**

\_\_\_\_\_  
James Kallander, Mayor

ATTEST:

\_\_\_\_\_  
Susan Bourgeois, City Clerk

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into as of August \_\_\_\_, 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 DAVID AND BOOTSLYN ROEMHILDT ("Purchaser"), whose address is P. O. Box 2034, 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 commercial 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 SEVENTY-FIVE THOUSAND FIVE HUNDRED DOLLARS (\$75,500.00) (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 commercial 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 7, 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 trustors, to Title Company, as trustee, with Seller as beneficiary, in the form attached hereto as Exhibit C, 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:	David and Bootslyn Roemhildt P. O. Box 2034 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 August, 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:

DAVID AND BOOTSLYN ROEMHILDT

By: \_\_\_\_\_  
David Roemhildt

By: \_\_\_\_\_  
Bootslyn Roemhildt

STATE OF ALASKA                    )  
  ) ss:  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of July 2011, by DAVID ROEMHILDT.

\_\_\_\_\_  
Notary Public in and for Alaska  
My commission expires: \_\_\_\_\_

STATE OF ALASKA                    )  
  ) ss:  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of July 2011, by BOOTSLYN ROEMHILDT.

\_\_\_\_\_  
Notary Public in and for Alaska  
My commission expires: \_\_\_\_\_

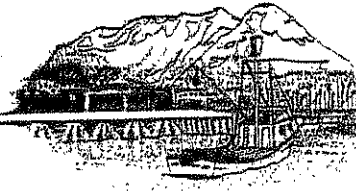
# **EXHIBIT A**

## **Legal Description of the Property**

Lot 3, Block 2, SOUTHFILL DEVELOPMENT PARK, according to the official map and plat thereof, Plat No. 86-2, on file in the office of the recorder, Cordova Recording District, Third Judicial District, State of Alaska.

Exhibit B

# CITY OF CORDOVA



## SEALED PROPOSAL FORM

All proposals must be submitted by Tuesday, May 31st 2011 @ 5p.m in a sealed envelope.

Property: Lot 3, Block 2, located in South Fill Development Park. See attached map.

Name of Proposer DAVID AND BOOTSLEYN ROEMHILDT

Name of Business - NEW BUSINESS -

Address PO Box 2294  
CORDOVA, AK 99574

Phone Number 424 - 7765

**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 provide a Site Plan and Architectural review per City of Cordova Municipal Code section 18.39.130 - Site Plan and Architectural review. This process shall be completed prior to a Building Permit being issued.

The minimum price that will be accepted for Lot 3, Block 2 South Fill Development Park is \$62,000. 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 \$ 75,500

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 Waterfront Commercial Zone District.

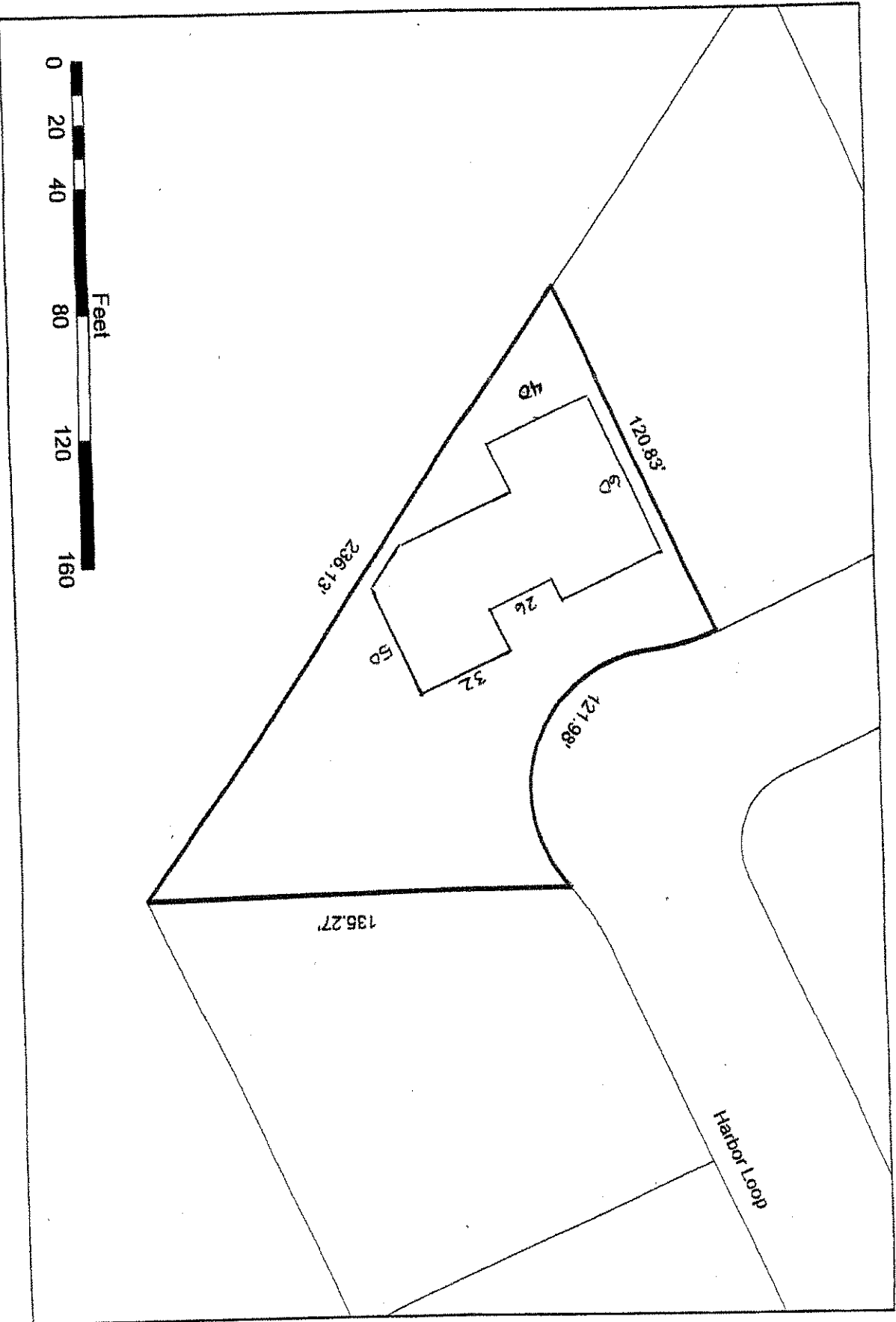
David and Bootslyn Roemhildt  
PO Box 2294  
Mile 6 Copper River Highway  
Cordova, Alaska 99574

### Proposal for Lot 3, Block 2 South Fill Development Park.

1. We are proposing to develop a business on Lot 3 that will provide year-round food, laundry, showers, work stations and business center, with a particular emphasis on providing these services in an economical way to support the fleet in the summer and the whole community in the winter by utilizing hi-efficiency building techniques and alternative energy sources.
2. The proposed development would be approximately 5200 square feet on the ground floor with an additional 1800 square feet on the second floor.
3. The proposed development will benefit the community by expanding the offering of services to the fishing fleet, seasonal visitors, harbor users and community by:
  - a. Providing a year-round café suited to both fishermen and families.
  - b. Providing a full-service and fast laundromat with extra large load machines and an extractor.
  - c. Providing small office and work station space for fishermen and other small businesses.
  - d. Providing a business center for fax, copy, scan, phone and electronic services.
  - e. Providing comfortable and clean showers and bathing that meet ADA handicap requirements.
  - f. Increasing sales tax dollars, especially those coming from seasonal visitors and non-resident fishermen.
  - g. Allowing the Harbor Department to get out of the shower business, and the costs and space associated with maintaining that service for the public.
  - h. Providing better services to visitors and non-resident fishermen which may make them more likely to bring or keep their families in Cordova during the summer while they fish, work or recreate.
  - i. Providing up to five new full time jobs and the economic activity that extra local payroll creates.
4. The value of the development is estimated at \$1,200,000.
5. We propose to have the building completed within three years.



# Lot 3 Block 2



**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 7<sup>th</sup> 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 DAVID AND BOOTSLYN ROEMHILDT, whose address is P. O. Box 2034, Cordova, Alaska 99574, all interest which Grantor has, if any, in the following described real property:

Lot 3, Block 2, SOUTHFILL DEVELOPMENT PARK, according to the official map and plat thereof, Plat No. 86-2, on file in the office of the recorder, Cordova Recording District, Third Judicial District, State of Alaska.

DATED this \_\_\_\_\_ day of August, 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 August, 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 August, 2011 (the "Effective Date"), by DAVID AND BOOTSLYN ROEMHILDT (the "Trustors"), whose address is P. O. Box 2034, 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 Trustors described herein, Trustors hereby grant, bargain, sell and convey to Trustee, in trust, with the power of sale, all of Trustors' estate, right, title, and interest in and to the following property:

Lot Three (3), Block Two (2), SOUTH FILL DEVELOPMENT PARK,  
according to Plat No. 86-2 filed in the 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 three (3) years after the Effective Date, Trustors shall substantially complete construction of a commercial building and any and all appurtenances and accessions thereto as required in the plan referenced in the Purchase and Sale Agreement for this Property (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 the Trustors can occupy and use the Project for its intended purposes.

**3. COMPLIANCE WITH LAWS.** Trustors 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 TRUSTORS.** Trustors warrant, covenant and agree as follows:

**4.1 Warranties**

4.1.1 Trustors have full power and authority to grant the Property to Trustee.

4.1.2 Trustors have undertaken their obligation under this Deed of Trust primarily for commercial, industrial or business purposes, and not primarily for personal, family or household purposes.

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

**4.3 Construction.** Trustors shall commence and complete construction of the Project, and will otherwise fulfill all of their 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.** Trustors shall permit Beneficiary, or its agents, at all reasonable times, to enter upon and inspect the Property for purposes of ensuring Trustors' compliance with this Deed of Trust.

**4.5 Further Assurances.** Trustors will, at their 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.** Trustors 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.** Trustors 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.** Trustors 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, Trustors 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, cause or permit any change in the entity, ownership, or control of Trustors 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 Trustors fail to commence or substantially complete the construction of the Project within the times set forth in Section 2 hereof, or if Trustors violate any other term of this Deed of Trust, Beneficiary may declare Trustors to be in default of this Deed of Trust without any notice or demand of any kind, both of which are hereby expressed 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 may 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.** Trustors agree that Beneficiary has sold the Property to Trustors for SEVENTY-FIVE THOUSAND FIVE HUNDRED DOLLARS (\$75,500.00), and that part of the consideration for the sale was Trustors' 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 Trustors' default, and the parties therefore agree that TWENTY-FIVE THOUSAND ONE HUNDRED SIXTY-SIX DOLLARS (\$25,166.00) 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 Trustors' breach of their 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 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 Trustors' 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 Trustors, 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. Trustors 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 Trustors 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 Trustors 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.** Trustors hereby covenant and agree as follows:

8.1.1 Trustors will not cause or permit any Hazardous Substance to be brought upon, kept, used or generated by Trustors, their agents, employees, contractors or invitees, in the operation of the Property unless the use or generation of the Hazardous Substance is necessary for the prudent operation of the Property in the ordinary course of Trustors' business and operations and in compliance with all Environmental Laws.

8.1.2 Trustors will at all times and in all respects use their best efforts to comply with all Environmental Laws. Trustors' duty of compliance with Environmental Laws includes without limitation the duty to undertake the following

specific actions: (1) Trustors will, at their own 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 Trustors 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, Trustors shall have any environmental review, audit, assessment and/or report relating to the Property theretofore provided by Trustors to Trustee updated, at the sole cost and expense of Trustors, by an independent environmental consultant selected by Trustors and not objected to by the Trustee in writing within 30 days after receipt of notification of Trustors' selection.

8.1.4 Trustors will, at their 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. Trustors will immediately notify the Trustee should Trustors (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 Trustors assurances that Trustors 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, Trustors 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 Trustors and not objected to in writing by Trustee or Beneficiary within 30 days after receipt of notification of Trustors' selection; or (B) written notice from Trustors 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.** Trustors 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 Trustors 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, Trustors authorize Beneficiary, at Beneficiary's option, as attorney-in-fact for Trustors, to commence, appear in and prosecute, in Beneficiary's or Trustors' 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, their successors and assigns.

**10.3 Beneficiary's Right to Perform Obligations of Trustors.** If Trustors fail 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. Trustors 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 Trustors secured by this Deed of Trust and be payable by Trustors on demand. Trustors 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 Trustors' 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 Trustors, 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 Trustors, Beneficiary and Trustee, and their successors and assigns.

IN WITNESS WHEREOF, the Trustors have executed this Agreement as of the date first above written.

TRUSTORS:

DAVID AND BOOTSLYN ROEMHILDT

*EXHIBIT; DO NOT SIGN*

By: \_\_\_\_\_  
David Roemhildt

*EXHIBIT; DO NOT SIGN*

By: \_\_\_\_\_  
Bootslyn Roemhildt

STATE OF ALASKA            )  
                                      ) ss:  
THIRD JUDICIAL DISTRICT    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of August, 2011, by DAVID ROEMHILDT.

*EXHIBIT; DO NOT SIGN*

\_\_\_\_\_  
Notary Public in and for Alaska  
My commission expires: \_\_\_\_\_

STATE OF ALASKA            )  
                                      ) ss:  
THIRD JUDICIAL DISTRICT    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of August, 2011, by BOOTSLYN ROEMHILDT.

*EXHIBIT; DO NOT SIGN*

\_\_\_\_\_  
Notary Public in and for Alaska  
My commission expires: \_\_\_\_\_

# Memorandum

**To:** City of Cordova City Council  
**From:** Sam Greenwood, City Planner  
**Date:** 7/28/2011  
**Re:** Ordinance authorizing to convey Lot 5, Block 2 to David and Bootslyn Roemhildt

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## **PART I. GENERAL INFORMATION:**

The timeline of the disposal of the Lot3, Block 2 SFDP

1. March 8, 2011; Planning and Zoning Commission recommended disposing of the lot.
2. March 16, 2011; City Council elected to sell the lot by proposal.
3. May 31, 2011; 30 day period proposal period ended
4. June 14, 2011; Planning and Zoning Commission reviewed the proposals
5. July 6, 2011; City Council Awarded Lot 5 block 2 SFDP to David and Bootslyn Roemhildt
6. July 20, 2011 meeting the Performance Deed of Trust terms were created and approved by City Council

At this time the Purchase Agreement, Performance Deed of Trust, and quit claim is presented to city Council for their review. Also included is the Ordinance to convey the Lot 5, Block 2 South Fill Development Park to David and Bootslyn Roemhildt.

## **Recommended Motion**

### **Motion for adoption:**

"I move to adopt Ordinance 1085 an ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lot Five (5), Block Two (2), South Fill Development Park to David and Bootslyn Roemhildt"

**CITY OF CORDOVA  
ORDINANCE 1085**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE SALE OF LOT FIVE (5), BLOCK TWO (2), SOUTH FILL  
DEVELOPMENT PARK TO DAVID AND BOOTSLYN ROEMHILDT**

**WHEREAS**, pursuant to CMC 5.22.030, the City of Cordova solicited proposals for the purchase of Lot Five (5), Block Two (2), South Fill Development Park (the "Property"); and

**WHEREAS**, the Council finds that the proposal submitted by David and Bootslyn Roemhildt is the best proposal for the purchase of the Property; and

**WHEREAS**, the purchase price proposed by David and Bootslyn Roemhildt is not less than appraised fair market value of the Property; and

**WHEREAS**, in selecting the proposal of David and Bootslyn Roemhildt 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, Warranty 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 David and Bootslyn Roemhildt in accordance with the terms in the Purchase and Sale Agreement. The form and content of the Purchase and Sale Agreement, Warranty 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.

1<sup>st</sup> reading: August 3, 2011

2<sup>nd</sup> reading and public hearing: \_\_\_\_\_

**PASSED AND APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2011.**

\_\_\_\_\_  
James Kallander, Mayor

ATTEST:

\_\_\_\_\_  
Susan Bourgeois, City Clerk

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into as of August \_\_\_\_\_, 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 DAVID AND BOOTSLYN ROEMHILDT ("Purchaser"), whose address is P. O. Box 2034, 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 commercial 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. The Purchase Price.** The purchase price for the Property is SEVENTY-THREE THOUSAND FIVE HUNDRED DOLLARS (\$73,500.00) (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 commercial use, consistent with plans submitted and approved by the Cordova City Council, 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 7, 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 B, 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 trustors, to Title Company, as trustee, with Seller as beneficiary, in the form attached hereto as Exhibit C, 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:	David and Bootslyn Roemhildt P. O. Box 2034 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 August, 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:

DAVID AND BOOTSLYN ROEMHILDT

By: \_\_\_\_\_  
David Roemhildt

By: \_\_\_\_\_  
Bootslyn Roemhildt

STATE OF ALASKA                    )  
  ) ss:  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of July 2011, by DAVID ROEMHILDT.

\_\_\_\_\_  
Notary Public in and for Alaska  
My commission expires: \_\_\_\_\_

STATE OF ALASKA                    )  
  ) ss:  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of July 2011, by BOOTSLYN ROEMHILDT.

\_\_\_\_\_  
Notary Public in and for Alaska  
My commission expires: \_\_\_\_\_

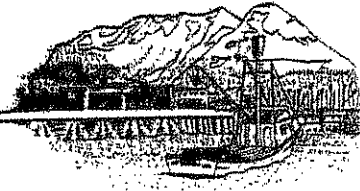
## **EXHIBIT A**

### **Legal Description of the Property**

Lot 5, Block 2, SOUTHFILL DEVELOPMENT PARK, according to the official map and plat thereof, Plat No. 86-2, on file in the office of the recorder, Cordova Recording District, Third Judicial District, State of Alaska.

Exhibit B

# CITY OF CORDOVA



## SEALED PROPOSAL FORM

All proposals must be submitted by Tuesday, May 31st 2011 @ 5p.m in a sealed envelope.

Property: Lot 5, Block 2, located in South Fill Development Park. See attached map.

Name of Proposer DAVID AND BOOTSLYN ROEMHILDT

Name of Business PLUMBLINE SUPPLY - REDDEN NET

Address P.O. Box 2294  
CORDOVA, AK 99574

Phone Number 424-7765

**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 provide a Site Plan and Architectural review per City of Cordova Municipal Code section 18.39.130 - Site Plan and Architectural review. This process shall be completed prior to a Building Permit being issued.

The minimum price that will be accepted for Lot 5, Block 2 South Fill Development Park is \$60,000. 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 \$73,500

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.

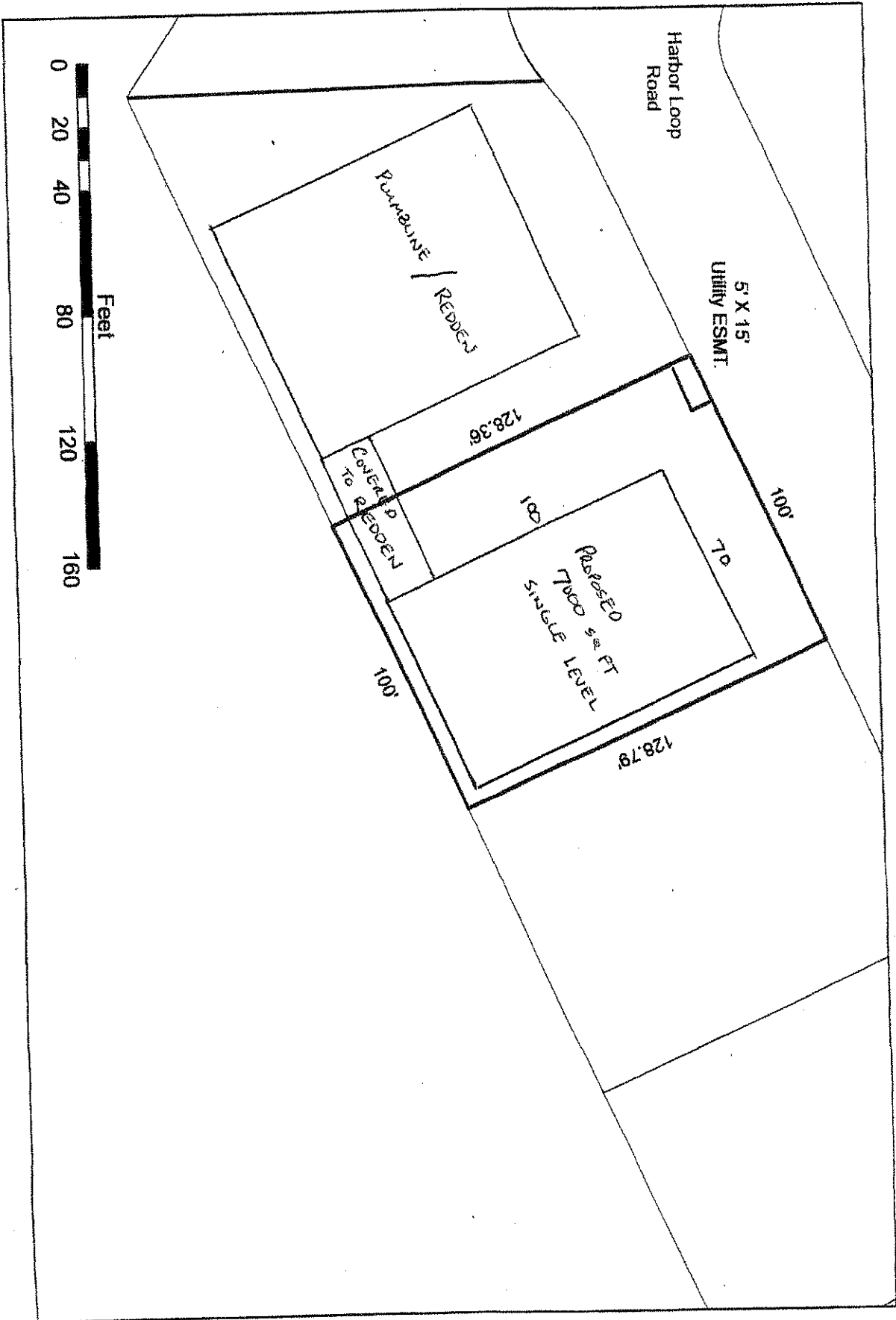
Please review the attached section of Code for the allowable uses within the Waterfront Commercial Zone District.

David and Bootslyn Roemhildt  
PO Box 2294  
Mile 6 Copper River Highway  
Cordova, Alaska 99574

### Proposal for Lot 5, Block 2 South Fill Development Park.

1. We are proposing an expansion of the two businesses located on the adjacent property, Redden Net and Plumblin Supply.
2. We propose to build a 70' x 100' single level structure to serve as an expanded retail storefront and seine building department for Redden Net. This amount of space, especially the 100' dimension, is necessary for the economical building of seines.
3. The proposed development will benefit the community by expanding the offering of products and services to the fishing fleet in near proximity to the harbor and increasing the City's tax revenue by:
  - a. The ability to build multiple seine nets at the same time during the winter months which will boost the winter economy with jobs, increase sales and the resulting sales tax.
  - b. Expanded area for hanging and mending gillnets indoors which will assist the fleet in keeping their best gear in the water.
  - c. Expanded line of products similar to other Redden outlets such as the Kachemack Gear Shed in Homer which the fleet currently has to order via mail or freight costing time and productivity and lost city sales tax.
  - d. Increased parking for customers of both Redden and Plumblin which is already congested though Plumblin has not yet opened its doors.
  - e. Increased area for Plumblin indoor pipe inventory, which requires more space than is currently available with two businesses crowded into one building. The processors often require large amounts of pipe available locally to keep production running and when they switch from one species to another during the season.
  - f. Space for indoor winter storage of nets and keep them out of the way of snow plows and damage.
  - g. The ability of both businesses located on Lot 5 to expand and hire more employees, creating greater local economic activity.
  - h. The development will mean a sizable increase in property taxes, sales taxes and lease taxes paid to the City coffers annually, as well as the economic activity generated from the construction of a building this size.
4. The value of the development is estimated at \$750,000.
5. We propose to have the building completed within two years.

# Lot 5 Block 2



**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 7<sup>th</sup> 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 DAVID AND BOOTSLYN ROEMHILDT, whose address is P. O. Box 2034, Cordova, Alaska 99574, all interest which Grantor has, if any, in the following described real property:

Lot 5, Block 2, SOUTHFILL DEVELOPMENT PARK, according to the official map and plat thereof, Plat No. 86-2, on file in the office of the recorder, Cordova Recording District, Third Judicial District, State of Alaska.

DATED this \_\_\_\_ day of August, 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 August, 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 August, 2011 (the "Effective Date"), by DAVID AND BOOTSLYN ROEMHILDT (the "Trustors"), whose address is P. O. Box 2034, Cordova, Alaska 99574, to PACIFIC NORTHWEST TITLE OF ALASKA (the "Trustee"), whose address is 3201 C Street, #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 Trustors described herein, Trustors hereby grant, bargain, sell and convey to Trustee, in trust, with the power of sale, all of Trustors' estate, right, title, and interest in and to the following property:

Lot Five (5), Block Two (2), SOUTH FILL DEVELOPMENT PARK,  
according to Plat No. 86-2 filed in the 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 three (3) years after the Effective Date, Trustors shall substantially complete construction a commercial building and any and all appurtenances and accessions thereto as required in the plan referenced in the Purchase and Sale Agreement for this Property (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 the Trustors can occupy and use the Project for its intended purposes.

**3. COMPLIANCE WITH LAWS.** Trustors 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 TRUSTORS.** Trustors warrant, covenant and agree as follows:

**4.1 Warranties**

4.1.1 Trustors have full power and authority to grant the Property to Trustee.

4.1.2 Trustors have undertaken their obligation under this Deed of Trust primarily for commercial, industrial or business purposes, and not primarily for personal, family or household purposes.

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

**4.3 Construction.** Trustors shall commence and complete construction of the Project, and will otherwise fulfill all of their 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.** Trustors shall permit Beneficiary, or its agents, at all reasonable times, to enter upon and inspect the Property for purposes of ensuring Trustors' compliance with this Deed of Trust.

**4.5 Further Assurances.** Trustors will, at their 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.** Trustors 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.** Trustors 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.** Trustors 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, Trustors 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, cause or permit any change in the entity, ownership, or control of Trustors 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 Trustors fail to commence or substantially complete the construction of the Project within the times set forth in Section 2 hereof, or if Trustors violate any other term of this Deed of Trust, Beneficiary may declare Trustors to be in default of this Deed of Trust without any notice or demand of any kind, both of which are hereby expressed 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 may 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.** Trustors agree that Beneficiary has sold the Property to Trustors for SEVENTY-THREE THOUSAND FIVE HUNDRED DOLLARS (\$73,500.00), and that part of the consideration for the sale was Trustors' 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 Trustors' default, and the parties therefore agree that TWENTY-FOUR THOUSAND FIVE HUNDRED DOLLARS (\$24,500.00) 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 Trustors' breach of their 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 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 Trustors' 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 Trustors, 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. Trustors 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 Trustors 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 Trustors 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.** Trustors hereby covenant and agree as follows:

8.1.1 Trustors will not cause or permit any Hazardous Substance to be brought upon, kept, used or generated by Trustors, their agents, employees, contractors or invitees, in the operation of the Property unless the use or generation of the Hazardous Substance is necessary for the prudent operation of the Property in the ordinary course of Trustors' business and operations and in compliance with all Environmental Laws.

8.1.2 Trustors will at all times and in all respects use their best efforts to comply with all Environmental Laws. Trustors' duty of compliance with Environmental Laws includes without limitation the duty to undertake the following

specific actions: (1) Trustors will, at their own 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 Trustors 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, Trustors shall have any environmental review, audit, assessment and/or report relating to the Property theretofore provided by Trustors to Trustee updated, at the sole cost and expense of Trustors, by an independent environmental consultant selected by Trustors and not objected to by the Trustee in writing within 30 days after receipt of notification of Trustors' selection.

8.1.4 Trustors will, at their 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. Trustors will immediately notify the Trustee should Trustors (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 Trustors assurances that Trustors 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, Trustors 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 Trustors and not objected to in writing by Trustee or Beneficiary within 30 days after receipt of notification of Trustors's selection; or (B) written notice from Trustors 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.** Trustors 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 Trustors 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, Trustors authorize Beneficiary, at Beneficiary's option, as attorney-in-fact for Trustors, to commence, appear in and prosecute, in Beneficiary's or Trustors' 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, their successors and assigns.

**10.3 Beneficiary's Right to Perform Obligations of Trustors.** If Trustors fail 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. Trustors 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 Trustors secured by this Deed of Trust and be payable by Trustors on demand. Trustors 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 Trustors' 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 Trustors, 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 Trustors, Beneficiary and Trustee, and their successors and assigns.

IN WITNESS WHEREOF, the Trustors have executed this Agreement as of the date first above written.

TRUSTORS:

DAVID AND BOOTSLYN ROEMHILDT  
*EXHIBIT; DO NOT SIGN*

By: \_\_\_\_\_

David Roemhildt

*EXHIBIT; DO NOT SIGN*

By: \_\_\_\_\_

Bootslyn Roemhildt

STATE OF ALASKA                    )  
  ) ss:  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of August, 2011, by DAVID ROEMHILDT.

*EXHIBIT; DO NOT SIGN*

\_\_\_\_\_  
Notary Public in and for Alaska

My commission expires: \_\_\_\_\_

STATE OF ALASKA                    )  
  ) ss:  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of August, 2011, by BOOTSLYN ROEMHILDT.

*EXHIBIT; DO NOT SIGN*

\_\_\_\_\_  
Notary Public in and for Alaska

My commission expires: \_\_\_\_\_



# Memo

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**TO:** City Council, Mayor Kallander  
**CC:** Mark Lynch, City Manager  
**FROM:** Cathy Sherman, Info Services Director  
**RE:** Cordova Center Funding  
**Date:** July 27, 2011

In response to the July 18, 2011 letter from the State of Alaska Department of Law and the National Oceanic and Atmospheric Administration, I have drafted a resolution for council.

On November 3, 2010, the Exxon Valdez Oil Spill Trustee Council voted unanimously to provide to the City of Cordova \$7,000,000 or one-third the cost of construction of the Cordova Center, whichever is less, providing certain conditions were met. In Resolution 11-02 there were ten conditions for expenditure of funds to be met. Condition number two reads as follows:

***'The City of Cordova will provide, before any expenditure from the EVOS Restoration Fund, documentation demonstrating to the satisfaction of the Alaska Department of Law and National oceanic and Atmospheric Administration that the city has firm commitments for the funding of all anticipated costs of construction of the Cordova Center, and that the Cordova Center will be used for the EVOS-related purposes as described in the October 2010 proposal.'***

The Resolution before you addresses the commitment to fund the project to its final completion. It is understood however, that fund-raising will continue and will alleviate any financial gap that may occur.

**CITY OF CORDOVA, ALASKA  
RESOLUTION 08-11-36**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA  
PLEDGING A FIRM MONETARY COMMITMENT SUFFICIENT TO COMPLETE  
CONSTRUCTION OF THE CORDOVA CENTER PROJECT EQUAL TO ANY FUNDING  
DEFICIT.**

**WHEREAS**, the City of Cordova is committed to seeking economic development for the community and continually improving the quality of life for all Cordova; and

**WHEREAS**, the economy of the community of Cordova has been severely affected and is struggling to recover since the 1989 Exxon Valdez Oil Spill; and

**WHEREAS**, the Cordova Center project would continue to restore damaged tourism resources from the Exxon Valdez Oil Spill; and

**WHEREAS**, the Cordova Center Project will provide economic diversification, provide a state of the art facility that would benefit and improve the quality of life for year-round residents and visitors of Cordova as well as provide an opportunity for the development of a conference and meeting center; and

**WHEREAS**, the City of Cordova fully recognizes the importance of the Cordova Center Project to the recovering economy of the community; and

**WHEREAS**, the City of Cordova has already committed a contribution of \$1.5 million for the construction of the Cordova Center as well as an additional contribution of \$450,000 both in in-kind and cash for the project development, purchase of the site and clearing of the land; and

**WHEREAS**, the City of Cordova is committed to financial contributions to the long term operation and maintenance costs; and

**WHEREAS**, the City of Cordova is willing to demonstrate a clear and final commitment that all anticipated costs of construction for the Cordova Center will be met.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Cordova, Alaska, does hereby pledge a firm monetary commitment sufficient to complete construction of the Cordova Center Project equal to any funding deficit.

**PASSED AND APPROVED THIS 3<sup>rd</sup> DAY OF AUGUST, 2011**

\_\_\_\_\_  
James Kallander, Mayor

ATTEST:

\_\_\_\_\_  
Susan Bourgeois, City Clerk

**SEAN PARNELL, GOVERNOR**

**DEPARTMENT OF LAW**  
**OFFICE OF THE ATTORNEY GENERAL**

1031 WEST 4<sup>TH</sup> AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907)269-5100  
FAX: (907)276-3697

July 18, 2011

**VIA EMAIL AND U.S. MAIL**

Cathy Sherman  
Information Services Director  
Cordova Historical Museum/Cordova Public Library  
P.O. Box 391  
Cordova, Alaska 99574

Dear Cathy:

On November 3, 2010, the Exxon Valdez Trustee Council ("Trustee Council") voted unanimously to provide to the City of Cordova \$7,000,000 or one-third the cost of construction of the Cordova Center, whichever is less, providing certain conditions were met. Resolution 11-02 of the Trustee Council sets forth ten conditions for expenditure of the funds. Condition number two provides:

The City of Cordova will provide, before any expenditure from the EVOS Restoration Fund, documentation demonstrating to the satisfaction of the Alaska Department of Law and National Oceanic and Atmospheric Administration that the city has firm commitments for the funding of all the anticipated costs of construction of the Cordova Center, and that the Cordova Center will be used for the EVOS-related purposes as described in the October 2010 proposal.

On June 1, 2011 the City of Cordova sent a letter to Elise Hsieh, Executive Director of the Trustee Council, and to Trustee Council members setting forth the updated funding commitments for the Cordova Center. This letter was requested to provide an update on the funding status of the Cordova Center, as the previous funding status had been provided by the City in September 2010. The June 1 letter identifies over \$19.5 million in secured funding yet also identifies more than \$1.8 million as "potential" or "projected" funding. In addition, budget spreadsheets sent to the Department of Law on June 16, 2011 establish that the City had to date secured funding in the amount of approximately \$17.76 million. The current project budget (or overall cost) is identified in these documents as \$21.385 million and \$21.368 million, respectively.

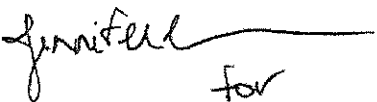
The numbers in the June 1, 2011 letter and the budget spreadsheets indicate that there is currently a funding gap for the Cordova Center of between \$1.8 million and \$3.6 million.

In order to meet the requirements of Resolution 11-02, the Department of Law and NOAA will need a greater showing of firm monetary commitments sufficient to complete construction of the Cordova Center. You indicated that the City of Cordova might approve a Resolution providing that the City will commit a financial contribution equal to the amount of funding required to fill any gap. We suggest that this approach would be the best way for the City to demonstrate that all anticipated costs of construction will be funded. In addition, the Department of Law and NOAA suggest that the City provide specific information regarding the manner in which the City plans to obtain funding for any gap in the project budget. Such additional information will be required prior to the Department of Law and NOAA's confirmation that the requirements of Trustee Council Resolution 11-02 have been satisfied and EVOS Restoration Funds may be expended.


Thank you for your assistance. Please contact us with any questions.

Sincerely,

National Oceanic and Atmospheric  
Administration

By:  for  
Craig R. O'Connor  
Senior Counsel for Natural Resources

JOHN J. BURNS  
ATTORNEY GENERAL

By:   
Jennifer L. Schorr  
Assistant Attorney General

CITY COUNCIL WORK SESSION  
CITY COUNCIL MEMBERS FEMA TRAINING  
DECEMBER 08, 2010 @ 6:00 PM  
FIRE DEPARTMENT TRAINING ROOM  
MINUTES

**A. CALL TO ORDER**

*Vice-Mayor Reggiani* called the Council Work Session to order after dinner at 6:33 pm on December 08, 2010 in the Fire Department Training Room.

**B. ROLL CALL**

Present for roll call were *Vice-Mayor Reggiani*, Council members *Jim Kacsh*, *Bret Bradford* and *Robert Beedle*. Absent from the training were *Mayor James Kallander*, Council members *Keith van den Broek*, *David Allison*, and *EJ Cheshier*. Also present were Deputy City Clerk *Robyn Kincaid* and Disaster Response Coordinator *Dick Groff*.

**C. WORK SESSION TOPIC**

1. FEMA Training Session

*Dick Groff* opened the meeting by introducing the three Home Land Security presenters; *Michael O'Hare*, Deputy Director; *Kerry Seifert*, Preparedness Emergency Management Specialist II; and *Mark Passmore*, Emergency Management Specialist II. He thanked them for coming to train the elected leaders on what to do when a disaster happens. *Seifert* started off explaining why they selected this particular course (FEMA 351, "Who's in Charge" Course) for this training and gave an overview. *Seifert* explained that they are from the State not the Federal departments. However, if people from FEMA come to town they probably are Alaskans, they like to hire locally, so they will be more acquainted with the demographics of the state. He said the State of Alaska Emergency Plan was written in 2004 and is currently being re-written. But the fact that the responsibility for planning and preparing for a disaster is in the hands of the individuals and heads of households will not change. The FEMA website has emergency response courses and prepared plans available. He emphasized that Cordova has a really good Emergency Response plan. It is important that City officials and leaders be well informed of their roles and steps to be taken in an emergency. The community will be taking care of the critical things for the first 72-hours and will rely on those leaders to know what to do. How well the community is prepared for a disaster will directly affect how well they will be able to respond and recover from a disaster. Typically at the local level the rescue, treatment, law enforcement, personal protection, restoration of critical infrastructure and sheltering are taken care of at the local level before receiving any outside assistance. Also the community will control the hazards, manage resources, developing incident action plans and determine needs and short-falls. He added that in the Alaska Shield drill he was impressed that Cordova has about forty Mutual Aide Agreements (MAA) or Memorandums of Understanding (MOU) that go through an annual review. Responsibilities should be mapped out in job descriptions of staff and by state statute. He explained that "authority" and "responsibility" have touchy lines drawn that should be known. This should be defined in your Emergency Response Plan. *Kacsh* stated that in the past the Mayor has been the one to declare a disaster which allowed for quick relief. *Seifert* responded that the Mayor has the authority to call it a disaster but it's the Emergency Managers responsibility to train and prepare the community and its leaders. *Joanie Behrends* and *Richard Groff* are both trained trainers and can offer many EOC (Emergency Operations Center) training classes in Cordova without bringing in someone else. Typically the EOC is not staffed by first responders, others need to step up and be trained, because the responders will be out in the field. He added that tribal entities must work with the City on disaster planning. The state will communicate with the City unless

the City has signed the responsibility over to the tribe. He presented the Council with an incident response flow chart and a flow chart of the hierarchy in an incident. **Beedle** asked if the charts have to be strictly followed. **Seifert** responded that there could be some local judgments made based on the incident but the chart should be followed as close as possible. **O'Hare** introduced the section of the training "What the State can do for you" the state's role in the emergency recovery process for you. **Beedle** asked if they will help with grants after the incident. **O'Hare** responded that they will be there from start to finish. They are not there to take over but to act as guides and assistants. He said it is their job to set up communications where there are none. Disaster Policy Cabinet is all of the commissioners and department heads decide if the event is large enough to escalate the disaster declaration and aide. The Governor can amend or suspend the status of the incident, certain orders, regulations or permits as required for response to the disaster and providing recovery from the disaster at any point in time. There are MAA's with other communities and States for assistance if needed. Beyond the Governor and the MAA's is the Federal Government aide. **Beedle** asked how many incidents they can support at a time. **Seifert** responded that it depends on the incidents, as each incident may not need a lot of help. He added that they are there to help as needed. **O'Hare** stated that Alaska is great at taking care of itself. The last 22 federally declared disasters in Alaska only resulted in the loss of 4 lives. **Groff** mentioned that HAM radio is available and always running. **O'Hare** agreed that HAMM radio is always a last resort and is always an option. They discussed the communications concerns in Cordova and the issues that should and are being considered.

The training had a 5-minute recess from 8:00 pm to 8:05 pm

**Seifert** stated that a verbal or written Declaration of a Disaster is available. A sample of the written version is available in the incident management plan book. **Groff** pointed out that Cordova's Emergency Response plan has a template for easy locating. **O'Hare** added that they can and will help with the wording in order to help increase the funding and aide availability. **Beedle** asked to have the 7-days limit clarified. **Seifert** and **O'Hare** offered that any disaster declaration is good for 7-days, if it needs to be continued the governing body must meet and decide to extend the disaster declaration. **Seifert** reiterated that their job is to help get the wording on the declaration to maximize the funding or communications or organization. **O'Hare** added that all process can be trumped at a no-brainer incident for immediate response. Meaning it doesn't have to go slowly up the chain of command. The Governor can declare it as a disaster at any point in time in order to get help on the ground faster. **Seifert** stated that in an incident don't wait for money. Take pictures, keep receipts, and start fixing up your town. Use the reserves at hand to get the process started. **Passmore** presented "Responding to the Incident". He stated that they deal with City, Tribal, non-profit and State agencies strictly. Meetings will be held to determine which projects should be tackled and when. For insurances it is required that the City pay first before State or Federal funding can be applied. Cost estimates must be submitted before funding can be given for the projects. They discussed the difference between a small project and a large project in regards to funding. **Passmore** explained that any funding given to the City will be expected to be used to make things like they were before. If the road washes out and you want to put it in a different place you'll have to do it without the extra funding. They will only fund for the road to go right back where it was before the incident. They are authorized to give 75% of the project's funding right up front. The other 25% is held back until the project is completed and inspected. Each project has a "project worksheet" which acts as a contract for the project and will keep the funding reimbursement process moving smoothly. Project worksheets can be appealed and amended through a process. They can also do a temporary fix on a project just to get things operating and then later do a permanent fix to the project. There is a 60-day window where damages need to be reported for reimbursement. If there is insurance

on the building they get hit up first then the emergency funding will pick up the rest. *Beedle* asked if a building was grandfathered in would the funding cover bringing it up to code. *Passmore* responded that it would with some special exceptions and added that cost estimates must be feasible. *Kacsh* stated that the Council member's actions will help the community members get reimbursed too. *Seifert* stated that they are there to assist through the process. If you need assistance from the State, you ask for assistance from the State, you will get assistance from the State. *Passmore* added that they can help prepare before the incident too. *Reggiani* thanked the team for coming. *Groff* stated that the team would be available the following morning if anyone would like to meet with them. *Beedle* asked where they could go for more information. *Seifert* responded that their State website and the FEMA websites have lots of information and resources available for free.

#### **D. COUNCIL COMMENTS – none**

#### **E. ADJOURNMENT**

*M/Bradford S/Kacsh* to adjourn the regular meeting at 9:20 pm  
Hearing no objection, the meeting was adjourned.

Approved:

Attest: \_\_\_\_\_  
 Robyn Kincaid, Deputy City Clerk

**CITY COUNCIL PUBLIC HEARING  
JULY 06, 2011 @ 7:15 PM  
LIBRARY MEETING ROOM  
MINUTES**

**A. CALL TO ORDER**

*Vice-Mayor David Reggiani* called the Council Public Hearing to order at 7:36 pm on July 06, 2011, in the Library Meeting Room.

**B. ROLL CALL**

Present for roll call were Council members *Keith van den Broek, Jim Kacsh, David Allison, Bret Bradford, EJ Cheshier*, and *David Reggiani*. Council Members and *Robert Beedle* were absent. Also present were City Manager *Mark Lynch*, City Clerk *Susan Bourgeois* and Deputy City Clerk *Robyn Kincaid*.

**C. PUBLIC HEARING**

**1. Ordinance 1081**

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Trident Seafoods Corporation of Tract 2, Alaska Tidelands Survey No. 220, Cordova Recording District

*Vice-Mayor David Reggiani* opened the hearing for public comment.  
There was no public comment

**D. ADJOURNMENT**

*M/van den Broek S/Kacsh* to adjourn the public hearing.

Hearing no objection, *Vice-Mayor David Reggiani* adjourned the public hearing at 7:37 pm.

Approved: August 03, 2011

Attest: \_\_\_\_\_  
Susan Bourgeois, City Clerk



**CITY COUNCIL REGULAR MEETING  
JULY 20, 2011 @ 7:00 PM  
LIBRARY MEETING ROOM  
MINUTES**

**A. CALL TO ORDER**

*Vice-Mayor David Reggiani* called the Council Regular Meeting to order at 7:00 PM on July 20, 2011, in the Library Meeting Room.

**B. INVOCATION AND PLEDGE OF ALLEGIANCE**

*David Reggiani* led the audience in the Pledge of Allegiance.

**C. ROLL CALL**

Present for roll call were *Vice-Mayor David Reggiani*, Council members *Keith van den Broek*, *David Allison*, *Bret Bradford* and *EJ Cheshier* (via teleconference). *Mayor James Kallander* and Council Members *James Kacsh* and *Robert Beedle* were absent. Also present were Acting City Manager *Cathy Sherman*, City Clerk *Susan Bourgeois* and Deputy City Clerk *Robyn Kincaid*.

**D. APPROVAL OF REGULAR AGENDA**

*M/Allison S/Bradford* to approve the Regular Agenda.

*Vice-Mayor Reggiani* said that he was adding Buck Adams as a guest speaker and that agenda item 5. Should be Resolution 07-11-35 instead of 07-11-33 there had been a typo. With those two edits...

Vote on motion: 4 yeas, 0 nays, 3 absent (Cheshier – couldn't hear vote, Beedle, Kacsh). Reggiani – yes; van den Broek – yes; Allison – yes and Bradford – yes. Motion was approved.

Council member *Beedle* arrived at 7:03 pm and *Mayor Kallander* arrived via teleconference at 7:05 pm.

**E. DISCLOSURES OF CONFLICTS OF INTEREST - None****F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

## 1. Guest Speakers – Buck Adams, UBS Financial

*Adams* gave an update on City funds and balances and rates of return for the year to date. He also gave updates on global news that is affecting interest rates and market volatility.

## 2. Audience comments regarding agenda items - None

3. Chairpersons and Representatives of Boards and Commissions  
(Harbor, HSB, Parks & Rec, P&Z, School Board)

*Jim Nygaard*, Superintendent of Schools had a written report and spoke to Council about some things he has been working on. He mentioned a newly instituted facilities use policy which is good because now there is consistency. His goal is to keep those facilities open as much as possible. He was in DC to speak to NCLB reauthorization. He said Cordova will institute a MAP (measure of academic progress) program this year – will really pinpoint more than just the number score a kid gets on a test - will tell details of where they need help. *Nygaard* mentioned that *Doug Carroll* has become trained to teach AP Statistics – nice to offer another AP class – will be rotated. Also new will be the 4<sup>th</sup> R class (relationships). This will be taught through our Health education department. ILP building contract is signed – it will get going next week. A handful of items remain on the Mt. Eccles projects. There was an energy audit of the High School and he is anticipating the results – which will include suggestions. The summer meals program is as successful as ever – 250 lunches a day and about 50 breakfasts a day (kudos to *Sandie Ponte* on that). Timber receipts could possibly be up for a 10 year reauthorization which could be great news for Alaska and Cordova. Safe Routes to School engineering is done – need to take it to the next level. City will get the sidewalks and crosswalks out to bid.

*Beedle* mentioned a recent Harbor Commission meeting – they would like to see the Council put the new harbor renovation on the capital improvement list. \$1.4M and \$350K were allocated from the State budget for the breakwater and the north boat launch respectively. He'd like to see those get out as soon as possible.

#### G. APPROVAL OF CONSENT CALENDAR

*Vice-Mayor Reggiani* informed Council that the Consent Calendar was before them.

4. Record excused absence of Council member Cheshier from the 07-06-11 Regular Meeting

5. Resolution 07-11-33

A resolution of the City Council of the City of Cordova, Alaska, appointing an Acting City Manager  
~~5a. Council concurrence of Mayor appointment to fill vacancy on HSB~~

*Beedle* pulled 5a from the Consent Calendar and it was placed after agenda item 13.

Vote on Consent Calendar: 6 yeas, 0 nays, 1 absent (Kacsh). Reggiani – yes; Beedle – yes; van den Broek – yes; Allison – yes; Bradford – yes and Cheshier – yes. Consent Calendar was approved.

#### H. APPROVAL OF MINUTES

*M/Allison S/Beedle* to approve the minutes.

6. June 28, 2011 Special Council Meeting Minutes

7. July 6, 2011 Regular Council Meeting Minutes

8. July 6, 2011 Council Joint Work Session with HSB

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Beedle – yes; van den Broek – yes; Allison – yes; Bradford – yes; Cheshier – yes and Reggiani – yes. Motion was approved.

#### I. CONSIDERATION OF BIDS - none

#### J. REPORTS OF OFFICERS

9. Mayor's Report – not present

10. Manager's Report – not present

11. City Clerk's Report – Written report is in the packet

12. Staff Reports

a. **Josh Hallquist**, COR, Cordova Center Project

*Hallquist* informed Council of the progress that has occurred in the building construction and what will be accomplished in the coming weeks – he submitted a written report as well.

b. **Cathy Sherman**, Cordova Center Phase II

*Sherman* reported that we closed on the Redden building and it would be removed soon. She said there would be a sign on site soon explaining the project. She said Arctic IT will be coming in working with staff on technology needs for the Cordova Center.

Department Quarterly Reports

a. Harbormaster, **Dale Muma**

b. City Planner, **Samantha Greenwood**

c. City Fire Marshal, **Oscar Delpino**

d. Investment Manager, **Buck Adams**, UBS Financial

e. Director of Public Works, **Moe Zamarron**

f. Facilities Maintenance Division

g. Streets Division Superintendent, **Rob Brown**

h. Water/Wastewater Division Superintendent, **Malvin Fajardo**

i. Refuse Division Superintendent, **Greg Rankin**

j. Chief of Police, **Robert Baty**

k. Information Services Director, **Cathy Sherman**

l. Cordova Center Phase II, **Cathy Sherman**

m. Finance Director, **Ashley Royal**

## K. CORRESPONDENCE

13. Postcard from Thorne Popelka in re Prince William Sound Science Center

## L. ORDINANCES AND RESOLUTIONS

5a. Council concurrence of Mayor appointment to fill vacancy on HSB

*M/Allison S/Bradford* to concur with Mayor Kallander's appointment of Nichole Hunt to fill the vacancy on the HSB – the remainder of a three year term that will expire in August 2012.

*Beedle* had a question about Hunt's ability to be on the HSB – he thought she worked for the hospital. *Allison* explained that by Code, Charter and HSB Bylaws, it was a perfectly allowable appointment.

Vote on motion: 5 yeas, 1 nays, 1 absent (Kacsh). van den Broek – yes; Allison – yes; Bradford – yes; Cheshier – yes; Reggiani – yes and Beedle – no. Motion was approved.

## M. UNFINISHED BUSINESS

14. Land sale proposals – Council awarding of disposal - Original Townsite Blk 42, Lots 1-4

*M/Allison S/Bradford* to award the disposal of Original Townsite Block 42 Lots 1-4 to the proposal from Leo Americus.

*Beedle* wanted it on the record that the City and the proposer are aware that the City is claiming that there are services (water and sewer) available on this property. *Moe Zamarron*, Public Works Director said that is the case.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). van den Broek – yes; Allison – yes; Bradford – yes; Cheshier – yes; Reggiani – yes and Beedle – yes. Motion was approved.

15. Performance Deed of Trust criteria, SFDP Block 2 Lot 3

Planning staff had presented a memo to Council with two criteria to be included in the performance deed of trust for the sale of this property.

1. A two-story 5200 square foot building with the top floor having 1800 square feet.

2. Building completed within three years of signing the Performance Deed of Trust.

Council's only edit was to include in criteria 1 above, after ...having..., insert "a minimum of" before ...1800... There was a concurrence of Council. There was further discussion as to why there were no criteria related to what was being built (i.e. more specifics as to actual plans). Council believed that the site-plan would contain such details and it would be attached to the contract and the Performance Deed of Trust.

16. Performance Deed of Trust criteria, SFDP Block 2 Lot 5

The two criteria for this Performance Deed of Trust were:

1. A one-story 70X100 foot building.

2. Building completed within two years of signing the Performance Deed of Trust.

There was a consensus of Council to offer no edits to these two criteria for the Performance Deed of Trust.

## N. NEW & MISCELLANEOUS BUSINESS

17. Pending Agenda and Calendar – no additional meetings were added to the calendar

## O. AUDIENCE PARTICIPATION - None

## P. COUNCIL COMMENTS

18. Council Comments

*Beedle* offered concerns about parking, the ramp in front of Baja Taco near Harvill's house, as well as the pile of fill in the South Fill. On a positive note he appreciates the chip sealing, crosswalks.

*Allison* stated that he is still concerned that we are not billing for ambulance services. He would like to see something done about this. *Sherman* noted that she and *Oscar Delpino* are working on it and will report back at the next Council meeting.

*Bradford* stated that he appreciated *Beedle* for getting the Harbor Commission up and running again.

*Vice-Mayor Reggiani* asked for a five minute recess at 8:32 pm – Council was back in session at 8:35 pm.

#### **Q. EXECUTIVE SESSION**

19. Cordova Center Phase 1 financial update

*M/Allison S/Bradford* to go into an executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the government specifically, Cordova Center financial update and to include the honorable previous Mayor (Tim Joyce) in that executive session as well as staff members.

Vote on motion: 5 yeas, 0 nays, 2 absent (Cheshier – couldn't hear, Kacsh). Allison – yes; Bradford – yes; Reggiani – yes; Beedle – yes and van den Broek – yes. Motion was approved.

Council entered into executive session at 8:36 pm. The Regular Council Meeting was reconvened at 9:02 pm. *Vice-Mayor Reggiani* said that Council had received a good financial update on Cordova Center finances.

#### **R. ADJOURNMENT**

*M/Allison S/Bradford* to adjourn the regular meeting at 9:03 pm  
Hearing no objection, the meeting was adjourned.

Approved: August 3, 2011

Attest: \_\_\_\_\_  
Susan Bourgeois, City Clerk

**CITY COUNCIL JOINT WORK SESSION WITH THE  
COMMUNITY HEALTH SERVICES BOARD  
JULY 20, 2011 IMMEDIATELY FOLLOWING THE 7:00 PM REGULAR MEETING  
LIBRARY MEETING ROOM  
MINUTES**

**A. CALL TO ORDER**

*Vice Mayor Dave Reggiani* called the Council Work Session to order at 9:04 pm on July 20, 2011 in the Library Meeting Room.

**B. ROLL CALL****CITY COUNCIL**

Present for roll call were *Mayor James Kallander* (present via teleconference), Council members *Keith van den Broek*, *David Allison*, *Bret Bradford*, *EJ Cheshier* (present via teleconference), *Dave Reggiani* and *Robert Beedle*. Council member *James Kacsh* was absent.

**HEALTH SERVICES BOARD**

Present for roll call were President *David Allison*, board members *Sandra Aspen*, *EJ Cheshier* and *Tim Joyce*. Health Services Board members *Kristin Carpenter* and *Kerin Kramer* were absent.

Also present was Acting City Manager *Cathy Sherman* and Deputy City Clerk *Robyn Kincaid*. Quorums of both City Council and Health Services Board were established.

**C. DISCLOSURES OF CONFLICTS OF INTEREST - None****D. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Audience Comments regarding agenda items - None

**E. WORK SESSION TOPIC**

2. Health Care RFP responses – discussion with Nichole Hunt of Coding Concepts

*Allison* welcomed *Nichole Hunt* to the meeting and asked her to convey to them the results of her professional analysis of the RFP's. *Hunt* informed Council that she took 4 hours to review the RFP's and took lots of notes. She was very careful to be unbiased and provide them with facts and a professional opinion. She added that she had also requested that the employees of CCMC be allowed to review the RFP's and give their input in an unbiased fashion as well. She stated that she would have liked to have seen a more competitive selection between the RFP's. She explained the rating chart she had included in the packet she used to compare between the RFP's. She felt that PERS, long-term care and expanding services had not been adequately addressed by QHR and suggested asking for more detail on those items. *Hunt* stated that CCMC does not need someone to come hold their hand but to have someone come in, take control, and make some changes. She wanted to know if anyone had been in contact with other communities that utilize QHR and Providence. She added that it really comes down to whether or not the City Council and HSB want to have a governing board or an advisory board with the hospital. If they want a governing board there will have to be some more involvement in the day to day activities of the hospital. QHR offered to train the board members on the governing board to help make them capable of making informed decisions. If Council wants an advisory board then they will have to see if QHR is willing to operate that way in order to compare apples to apples with Providence who does propose an advisory board. To give a true opinion she felt she needed to know which way they wanted to go first. She did say that as someone who is coming in and trying to help CCMC move forward it is hard because they always feel like they are in limbo. She stated that having three different administrators in the three years

that she has been involved with CCMC is too much. There is a frustration from waiting to know the fate of CCMC. **Allison** stated he would like **Hunt** to be included in the rest of the discussions tonight. The Council and Board concurred. **Joyce** stated that **Hunt** hit the nail on the head. They are trying to decide that very thing as a body on whether they want to be advisory or governing. **Kallander** stated that City Manager **Mark Lynch** had interviewed some people from other communities near the start of the process and agreed with **Hunt** that the governing or advisory board is the defining question. He suggested that they could have an advisory board with contracting authority. **Beedle** opined that for ten years it has been the same situation, the City is always bailing the hospital out with money and for some reason we are still unwilling to let go of what hasn't worked. He suggested they let the third party do its job. What we have been doing has not worked and we could always terminate the contract.

### 3. HSB recommendation to City Council in re Health Care RFP responses

**Allison** stated that the HSB has decided to continue with the proposals from QHR and Providence for further discussions towards a decision. It comes down to what kind of board we want to have. No matter the decision a Charter change will have to be made, which will be a vote by the people. He added that non-voting members at the HSB meeting favored QHR because of a fear of Providence's reputation with their employees. If they decide to do a governing board then they will need to be trained and involved in the day to day activities. HSB had never had the status of being a trained and qualified board. He does feel that either choice will be a huge step forward from where we are now. He leans towards turning it over completely to a qualified trained company. **Bradford** inquired if QHR would work with an advisory or governing board. The answer was, yes, they could work with either and either choice would require a code change. **Allison** stated that QHR's proposal was not to take over completely; it was to provide a CEO for CCMC and utilize other services QHR has available. **Kallander** stated that having served several years on the HSB he is a strong proponent of a governing board. He has very strong feeling of turning it over to a third party because of all the internal and political issues in our community. He added that he thinks QHR and Providence both have pluses and minuses. He suggested that if there is any interest in QHR then to ask them if they would allow an advisory board. **Joyce** stated that even if QHR can manage the hospital/govern it with an advisory board both the proposals are for 4-5 year contracts. We would not want to just turn around and break a contract with them before they can really get going. The employees made some good points at the last HSB meeting. They were impressed with QHR and got a good feeling from them when they came to visit the hospital. He pointed out that with Providence we will never have a full-time long-term "this is my doctor" scenario. They rotate. If you want a consistent doctor you would still have to go to Anchorage. **Beedle** stated that the City Council does not work with employees other than the City Manager and the City Clerk, perhaps an advisory board could work the same way. The third party will have a Human Relations department to handle any employee grievances and issues. He stated they will have to let go of some of the control to the administrator or CEO. **Aspen** brought to their attention a news article from the Seward City news stating that Providence is requesting from them an additional \$750K for implementing and installing an Electronic Medical Records system. **Cheshier** agreed with **Kallander** on contacting QHR to see if they will be willing to work with an advisory board instead of a governing board. He added that he feels inadequate on the HSB to make decisions and a new governing board will have the same issues so he is leaning away from a governing board. **Reggiani** said he had two questions. Do we want a governing board or an advisory board? The RFP's are not comparative so it is hard to compare them to each other. The community has tried a governing board and it has not worked. He does not like the term "turn it over" because they will still have a contract. We are just hiring professionals to run the operations of the hospital for us. He stated that the HSB sounds complicated and it would be hard to be completely informed on that board in order to make good decisions. He would like to hire a professional to do all that work for them. He added that going to QHR with these questions will help the two proposals be more comparable. He stated that it sounds like

everyone is leaning towards an advisory board and away from a governing board. *Joyce* stated that he does not think the City can have a governing board any longer and make it function. We just aren't trained enough to be able to govern it appropriately. This process won't be cheap to start but he feels will be a big payoff in the end. *Allison* stated that the HSB would like to get the City Council's help in getting congressional help to acquire an Electronic Medical Records system. This will need to be done eventually, no matter what decisions are made. He leans towards an advisory board. *Beedle* inquired if the proposals included maintenance to the building. *Allison* stated that both proposals said they would bring a proposal to Council with a budget for facility maintenance and upgrades. *Bradford* said it sounds like everybody is interested in an advisory board and agreed that they should go back to QHR with the questions. *Aspen* agreed. *Allison* suggested they also ask the questions *Hunt* had in regards to PERS. *Hunt* added that they should also ask about long term care and expanding services. She agreed that the questions should go back to the proposers which will help in making the two comparable.

#### F. AUDIENCE PARTICIPATION

*Mark Frohnappfel*, 828 Woodland Drive, stated that the hospital affiliations should be considered. QHR is affiliated with hospitals in Juneau and Providence with hospitals in Anchorage. Traveling for medical will still happen, it would be nice to know if QHR has options if we choose to go to Anchorage for extended medical care.

*Jennifer Gibbens*, 305 Browning Street, is in agreement with previous *Mayor Joyce* that we do not need a local governing board. She liked what *Nichole Hunt* had to say. She added that, as a patient, she is a big advocate of Providence because she has had fantastic experience with them. Don't forget the patient.

#### G. COUNCIL AND BOARD MEMBER COMMENTS

*Joyce* asked who will be going back with the questions. *Cathy Sherman*, Acting City Manager, stated that she can send a follow up letter to QHR with the list of questions and clarified that they would like a response by the August 3<sup>rd</sup> Regular Council Meeting. She received a response in the affirmative.

*Kallander* suggested that *Hunt* work with *Sherman* on the letter since she is here for two weeks.

*Reggiani* agreed to meet with *Sherman* and *Hunt* to produce the letter.

*Beedle* stated that the point about Seward having to pay \$750K for an EMR system should be backed with more research as it could just be a bad snapshot. *Aspen* clarified that she did not intend for it to look like a bad snapshot just as a reminder that these things can and will come up no matter who we choose.

#### H. ADJOURNMENT

*M/Allison S/Bradford* to adjourn the work session at 10:05 pm.

Hearing no objection, the work session was adjourned.

Approved:

Attest:

Robyn Kincaid, Deputy City Clerk

# Memo

**To:** Mayor and City Council  
**From:** Josh Hallquist  
**CC:** Mark Lynch, City Manager; Moe Zamarron, Director of Public Works  
**Date:** July 27, 2011  
**Re:** Cordova Center Progress Update

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Last update was on July 20, 2011.

## PROGRESS

Since the last update:

- Poured west wall footing G to M
- Began forming west wall G to M
- Continued to placed waterproofing and insulation along A-line thru 3-line
- Completed setting structural steel for 1<sup>st</sup> floor
- Began setting 2<sup>nd</sup> floor structural steel
- Continued installation of storm drain system
- Formed and poured footer for north stair wall
- Backfilled to 56' elevation along A-line
- Set cistern sump manhole section to 56' elevation
- Formed building anchor H and J

Major items to complete in the next two weeks:

- Pour west wall footing from G to M
- Complete north stair wall forming/rebar and pour
- Begin forming north stair
- Begin forming cistern walls
- Complete setting 2<sup>nd</sup> floor steel
- Begin setting 3<sup>rd</sup> floor steel
- Pour 1<sup>st</sup> floor slab
- Complete building anchor E and F
- Complete backfill of 3-line wall

## SCHEDULE



Contractor to provide a completion schedule and extra cost to complete in an effort to minimize the compounding delay costs and get to a solid completion date. The deadline for submission is the 29<sup>th</sup> and we have a meeting scheduled on 8/2/11 to come to an agreement. Schedule currently shows time running to the end of March.

#### **BUDGET**

- The ninth application for payment was received and is being processed.

#### **ISSUES / PROBLEMS**

- Architect discontinued weekly visits as he does not deem them necessary.
- Architect has still not completed all DCVR responses and continues to be very slow in answering contractor questions.
- Design team continues to find structural steel design busts resulting in additional cost to the City.
- Contractor continues to make claims related to earlier delays, however the pace has slowed.

Josh Hallquist

# Memo

**To:** Mayor and City Council  
**From:** Moe Zamarron, Director of Public Works  
**CC:** Mark Lynch, City Manager  
**Date:** August 3, 2011  
**Re:** Water and Sewer Projects Update

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1. Eyak Water Treatment Plant Evaluation and 4-Filter Manual Control Operation; CH2MHill contract value: \$195,000. Plant is operable with the level of automation still being fine-tuned
2. LT2 Preliminary Design (Completed): CH2MHill contract value: \$173,000. Currently waiting to contract with CH2MHill for the final design and the generating of construction documents. I just submitted the FY 2013 grant questionnaire for this and will prepare the timetable for when the City's share of the estimated \$10min construction funding will be required
3. WWTP Facility Plan; CH2MHill contract value: \$165,000. This project is yet in its infancy as far as design direction is concerned. The parameters are not well defined yet and there are many questions regarding the data being used to determine the best alternatives for permit compliance. As soon as possible, I will prepare an estimate of cost for this project.
4. New Drinking Water Source; GV Jones contract value: \$13,000. Plans will be drafted for providing a source of drinking water to supplement or replace the Heney Creek source. Plans may also include another water main from the Eyak plant to town.

Moe Zamarron

## Susan Bourgeois

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**From:** Dale Muma  
**Sent:** Thursday, July 21, 2011 9:03 AM  
**To:** Jim Kallander (jimkallander@cityofcordova.net)  
**Cc:** Mark Lynch (citymanager@cityofcordova.net); Susan Bourgeois (cityclerk@cityofcordova.net)  
**Subject:** Science Center Proposal

Jim,

After speaking with you and looking at the proposal from the Science Center and then looking at the area they want to purchase I have the following thoughts. The area in question is fairly large and could be used in the future for possible harbor facilities expansion. Several things could be done in that area in the future if the city decides not to sell.

- The Old Grid is reaching the end of its useful life and will either need to be replaced or removed. The city could use this area to construct a new grid facility that would meet the needs of the growing fleet. I don't mean in terms of numbers but size. Boats are getting bigger and the old grid is reaching the point where it will not accommodate these larger boats. A new heavy duty grid would be a valuable addition to harbor facilities.
- This area with the removal of the existing approach and dock would provide an area large enough to construct an additional float system that could accommodate several large boats. The fleet is continuing to grow in vessel size as I mentioned before and we are finding that slips for the larger vessels are becoming more in demand.
- With the removal of the existing approach and dock that the Science Center now occupies, the loading dock in the Old Harbor could be lengthened considerably to accommodate larger vessels such as tenders, small ships, research vessels as well as smaller boats.
- This area could also be used for additional harbor area parking which is short supply especially in the Old Harbor area.

These are just some thoughts that came to mind as I look at that area. It is a valuable area of waterfront property that could be used for a number of possible future harbor projects.

Dale R. Muma  
Harbormaster/Port Director  
City of Cordova  
PO Box 1210  
Cordova, Alaska 99574  
Phone: 907-424-6400  
Fax: 907-424-6446  
Email: [harbor@cityofcordova.net](mailto:harbor@cityofcordova.net)

**Memo**

DATE: 7/26/11  
TO: CITY COUNCIL  
CC: MARK LYNCH / CITY MANAGER  
RE: 2<sup>ND</sup> QUARTER REPORT

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Dear Council,

We are able to provide revenue data however; attendance data is still being gathered. During this 2<sup>nd</sup> quarter the computer crashed and we lost our digital data base. We have been given a temporary lap top and will continue to recover and compile our data. You can expect a request for a new computer in 2012.

We've made \$219.00 less in daily drop in fees this quarter then last year. The good news is we can see that it is a result of selling more passes; \$3,740.00 more to be exact. This is likely due to the \$10.00 summer time drop in fee. We have received quite a bit of negative feedback in regard to the new rate. We simply explain the pass options available and recognize the savings in buying a pass. When this happens most folks embrace the savings and end up investing in a pass. I believe we have increased attendance as well; this will be substantiated when we are able to compile the data.

We have brought in \$1,049.00 less in programming (summer camp) so far. In 2010 we were able to have 5 sessions due to the school renovation. We are only able to have 3 sessions of camp this year due to the shortened summer break. A new trend has emerged as well; many parents choose to pay for camp in October with dividends. For this reason I am not concerned with camp revenue being down at this point. We obviously won't bring in as much camp revenue in 2011 - but the first two sessions in 2011 have been better attended then the first two sessions in 2010.

We are seriously considering restructuring summer camp. I continue to realize that this program is a very important service to working parents. I believe that it would be in our best interest to offer it as a daily program that begins after school gets out and ends prior to school starting up again. We would then forego multiple sleepovers and instead have one big sleep over celebration at the end of the summer. I know the kids may want more sleepovers but I think the parents would benefit from more days of camp.

Skater's cabin has brought in \$505.00 more this summer. We are getting more out of town guests and the new swimming platform really attracts the locals. Please expect a few budget requests for this cabin in 2012. The first will be signage. I need community members to understand that when a private party rents the cabin they also rent the beach. It has been an issue for both local and out of town renters to show up at the cabin only to find people having picnics on the beach. If you are interested in using the beach you need to call Bidarki ahead of time and see if the cabin is rented. Secondly, and more importantly the timbers under the cabin are rotten and they will need to be replaced next summer. I will have a quote for the materials and labor for consideration in September.

Odiak Camper Park is \$1,273.00 ahead of the previous summer. We have a full house and space for over flow in the Shelter Cove RV Park. This is another budget item request for next year. The Parks and Recreation Commission will discuss how to improve the Shelter Cove area for short term traffic and make a recommendation to Council. With a serious lack of housing during the summer months in Cordova, additional RV space would be extremely helpful to seasonal traffic.

We also had a visit from our OSHA trainer. He walked through both facilities and gave us a laundry list of remedies to avoid getting fined during our surprise inspection. Although, I have not received the official report from the trainer I took detailed notes during his visit. I then spent the better part of a day calculating the cost of these improvements. A rough estimate at this time for both facilities is around \$8,000.00. I will revisit and revise this when I receive the official report. My greatest concern is that none of these improvements were funded and all of them could lead to fines that exceed this expense. I will await your direction regarding these expenditures.

City of Cordova - Parks and Recreation Dept.  
 Bidarki Rec. Center 2nd Quarter 2011

2nd Quarter Revenue 2011

Month	Drop in	Passes	Programs	S.Cabin	Odiak	Other	Total	Pool
April	\$ 420.00	\$ 2,380.00	\$ 500.00	\$ 85.00	\$ 16.80		\$ 3,401.80	
May	\$ 883.00	\$ 5,575.00	\$ 2,951.00	\$ 540.00	\$ 5,348.24	\$ 1,750.00	\$ 17,047.24	
June	\$ 541.00	\$ 3,235.00	\$ 2,810.00	\$ 370.00	\$ 7,796.60		\$ 14,752.60	
Total	\$ 1,844.00	\$ 11,190.00	\$ 6,261.00	\$ 995.00	\$ 13,161.64	\$ 1,750.00	\$ 35,201.64	

2nd Quarter Attendance

Month	Aero	Tot Time	HS Gym	Y.Programming	Adt. B Ball	Adt. Y Ball	WR	OG	Total
April	Still recovering from a computer crash, thus no data entered yet.								
May	Numbers have been steady with Increased attendance at Shelter Cove and more traffic through the								
June	weight room with people enjoying the renovation and new equipment.								
Total	#VALUE!	0	0	0	0	0	0	0	#VALUE!



June 23, 2011

City Manager Mark Lynch, Mayor Jim Kallander and City Council members  
City of Cordova  
P.O. Box 1210  
Cordova, AK 99574

Gentlemen:

The Prince William Sound Science Center (PWSSC) Board of Directors respectfully requests to purchase the land and buildings we now occupy. This request is based on thorough evaluation and discussion of future needs and the fact that we already are straining our current capacity to conduct much needed research in and around Prince William Sound. It is imperative that we secure title to the land and buildings in order to leverage funding for critical renovations and expansion to enable growth in the scope and range of our programs.

Specifically, purchase of three parcels is requested:

- A portion of Lot 2, Block 7a, TDP (including the building we occupy)
- Lot 1, Block 1, CIP, (the City has already agreed to sell this to the PWSSC, and we need the purchase expedited)
- A portion of Alaska Tideland Survey 220, adjacent to Lot 1, Block 1

We request purchase at fair market value with credit for improvements made to the properties since we began leasing them, or transfer of the property using some other conveyance as appropriate. The lots we seek to purchase are consistent with the purposes of research and education as a Special Economic Development Zone established by City Resolution 2-95-13.

#### Rationale

Ownership is an absolute necessity to qualify for new facilities construction funding, to attract investors, and to obtain financing. Ownership will enable us to leverage bank financing for renovations and repair of existing facilities. To continue to develop research programs based in Cordova, we need to own what we occupy and then have the available capacity to further grow our Science Center in the coming years. Waterfront access also is critical to our programs.

#### Planned Enhancements

Our current home on Lot 2, Block 7a, which PWSSC has occupied for 22 years, is a natural place to focus initial development. Our intent is to develop an enhanced 'campus' which will include additional storage, office, public engagement, warehouse and laboratory space. Having these facilities in close proximity is critical for our own scientists as well as potential

collaborations with researchers attracted to Cordova from around the world. The enhanced 'campus' will enable oceanographers and other researchers to store, maintain, develop, analyze, modify and deploy research equipment efficiently in one central location.

We will construct an 11,500 square foot, two-story building which will be similar, but slightly bigger than the facility described and approved by the City Council in March 2011 for development on Lot 1, Block 1. This energy-efficient complex of offices, educational classroom/conference room space, laboratory and warehouse will house the year-round staff. Once new facilities are completed, our existing building will be upgraded, providing field station support for visiting researchers and an expanded graduate student program through the University of Alaska Anchorage and other academic institutions.

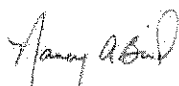
#### Benefits to Cordova

We hope you agree with us that our programs have been, and continue to be, very beneficial to Cordova. We employ 22 people on average and provide unique and important educational and research services to the community. This expansion will result in additional full-time jobs in Cordova. Over the past 22 years, the Center has secured over \$40 million in grants and contracts and spent over \$20 million in the city of Cordova, on payroll, contract services and vessel and air charters to local businesses. Next school year will mark our 20<sup>th</sup> year of providing additional "in classroom" science education through the Cordova School District. We invest more than \$100,000 each year in these school-based programs, enhancing the community cost of education.

We look forward to discussing our proposal with you and request this issue be placed on the August 3, 2011 City Council agenda. Representatives of our Board can attend that meeting. Please let us know when this issue will be on a city council meeting agenda and/or if you prefer to schedule a separate meeting.

Thank you.

Sincerely,



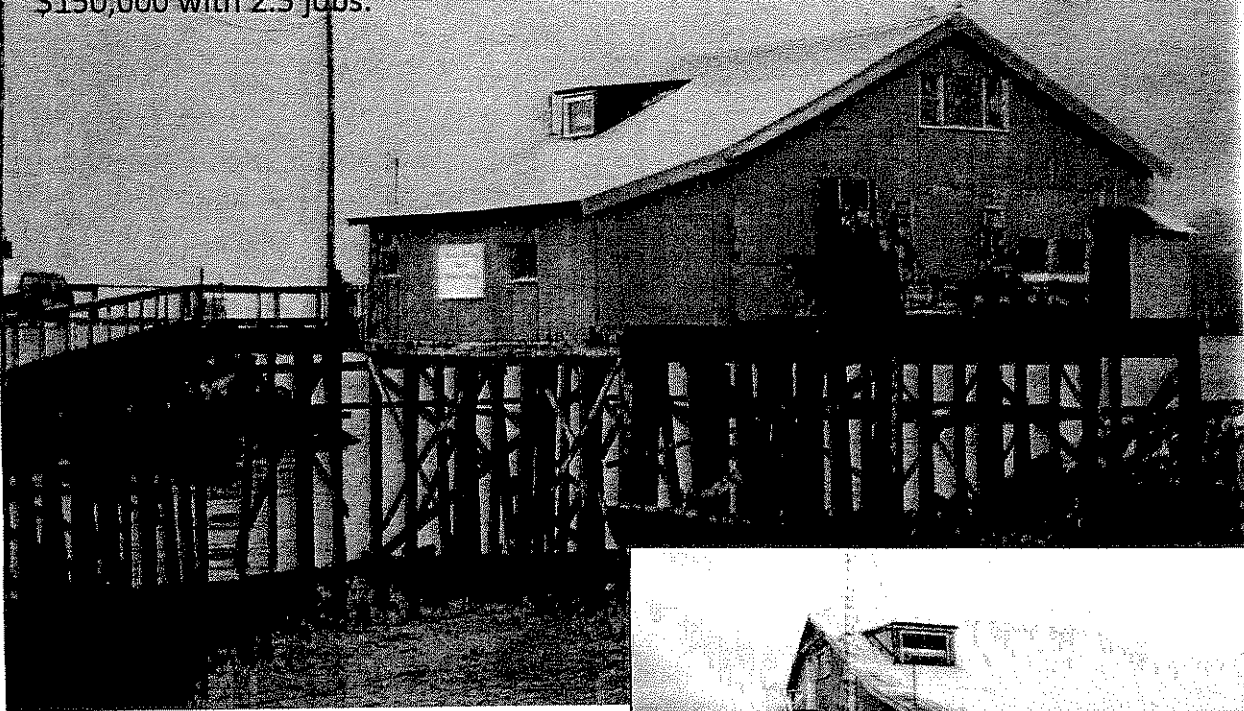
Nancy Bird  
President  
[nbird@pwssc.org](mailto:nbird@pwssc.org)



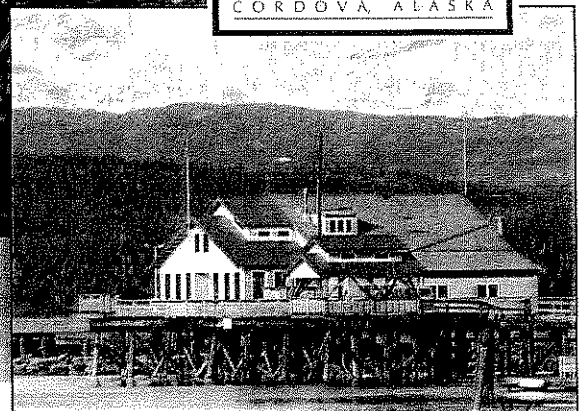
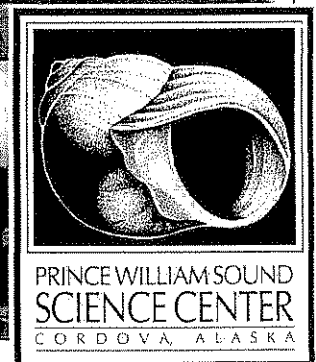
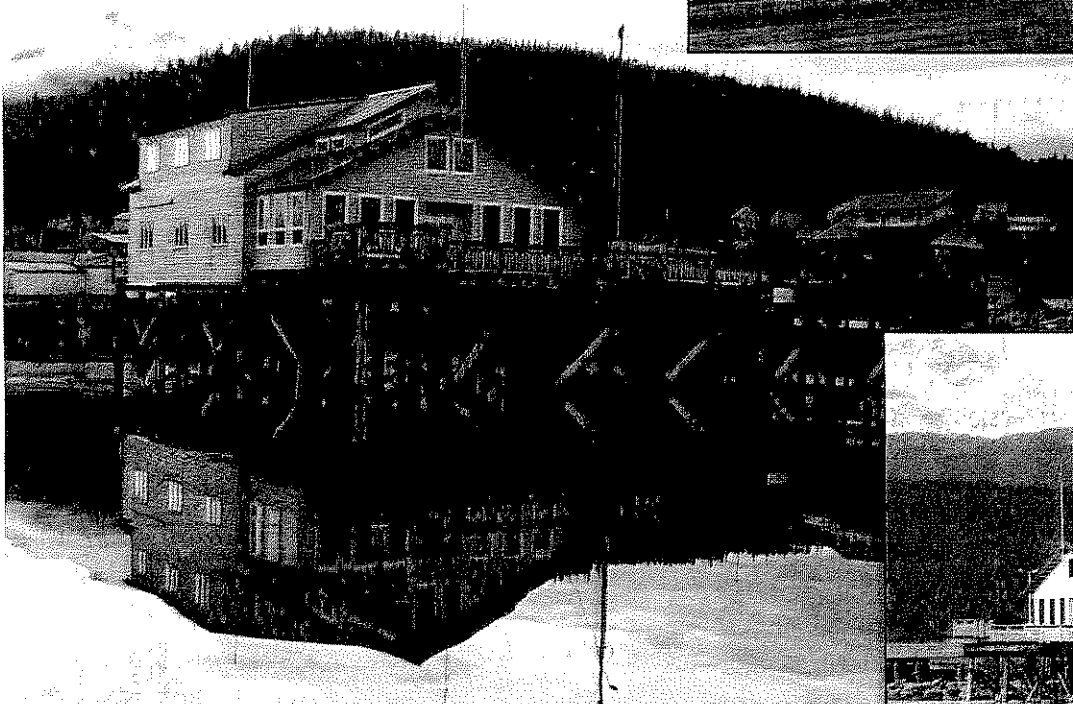
Eric Knudsen, Ph.D.  
Chairman, Board of Directors  
[ericknudsen@gci.net](mailto:ericknudsen@gci.net)

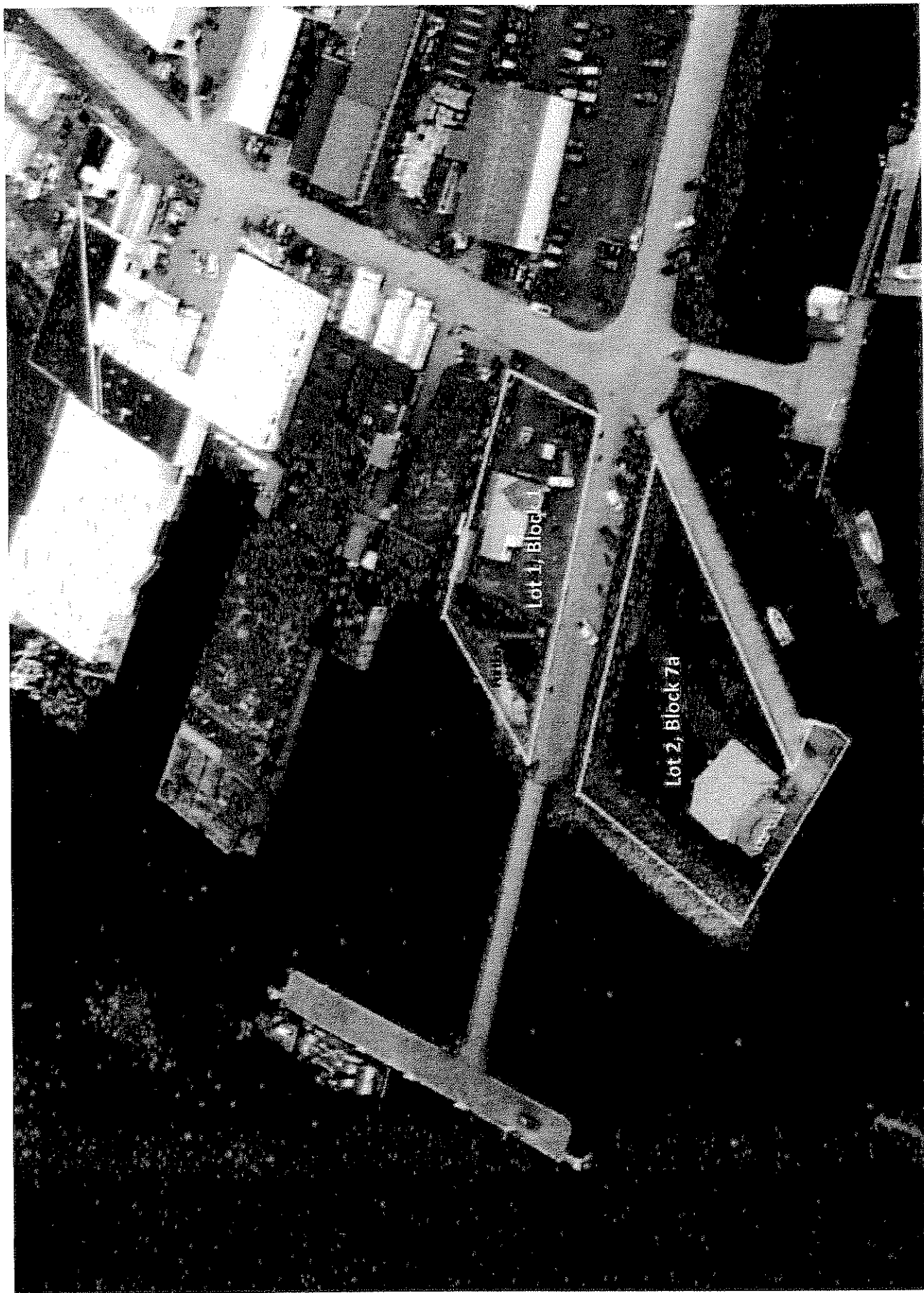


**Prince William Sound Science Center—1989—** Abandoned icehouse with leaking roof, no insulation, holes in the floors. Science Center's budget was \$150,000 with 2.5 jobs.



**2011—** Over \$1 million in renovations completed for building to serve research and education. Budget \$3 million, 23 jobs.





CITY OF CORDOVA, ALASKA

RESOLUTION 2-95-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA

WHEREAS, the Prince William Sound Science Center is an integral part of the economy of Cordova and contributes to the base of knowledge needed to effectively manage the natural resources on which we depend; and

WHEREAS, the Science Center has outgrown its building and requires additional space for the expansion of its facilities to better meet its Mission; and

WHEREAS, the needs of the Science Center, and other needs of the community can best be met by a coordinated effort for facilities development; and

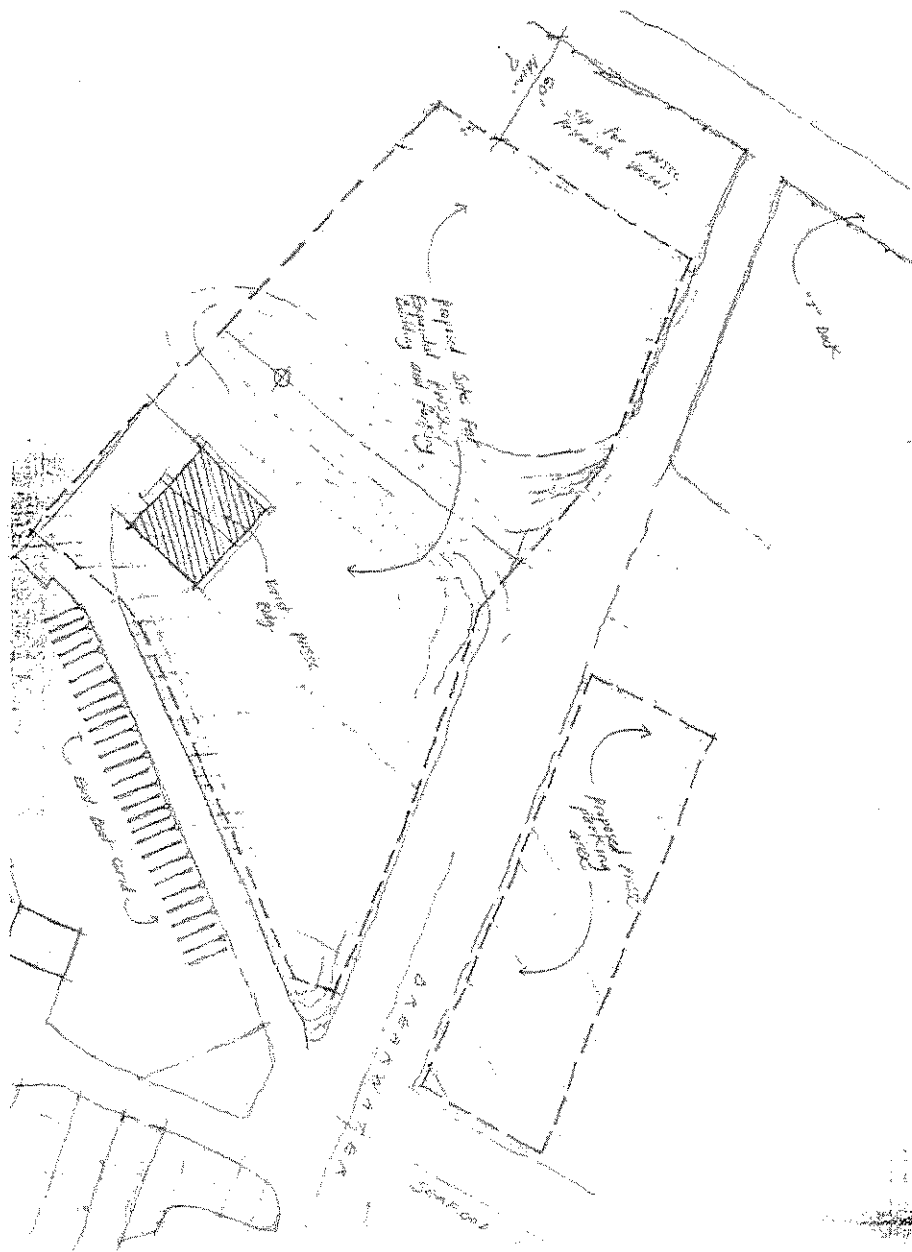
WHEREAS, the Harbor Commission, the Planning Commission, and the Port and Commerce Commission have reviewed the preliminary development proposals for the Science Center and found them to be responsive to the needs of the Science Center and the City of Cordova;

NOW, THEREFORE, BE IT RESOLVED that the City of Cordova set aside and designate the area located within the Tidewater Development Park, as shown on the attached map, as a special Economic Development Zone, and that this area be used to fulfill the needs of the Science Center and the City of Cordova for expanded facilities.

PASSED AND APPROVED THIS 16TH DAY OF FEBRUARY, 1995.

  
Neil Schultz, Vice-Mayor

  
Lynda Plant, City Clerk



## Prince William Sound Science Center's impact on Cordova

### Investments in jobs and the community

- Our annual budget is \$3 million. In addition to goods, services, and local vessel charters, we spend \$100,000 monthly on local payroll.
- Over the past decade, PWSSC staff size has averaged 23 total (18 full-time/year-round and 5 part-time or seasonal).
- During the winter months, PWS Science Center is in the top 5 non-government employers in Cordova.
- In 1998 the Science Center contributed \$20,000 in seed money to help the City of Cordova leverage over \$200,000 in EDA planning grants for the Cordova Center.

### Education investments (\$200,000 annually)

- PWSSC educators have provided in-school classes **at no cost to the Cordova Public Schools for 19 years.**
  - During the school year, K-6<sup>th</sup> grade classes attend six monthly intensive, hands-on learning programs organized and implemented by PWSSC staff and several partners (USFS and CRWP).
  - For more than a decade, PWSSC staff has coached Cordova High School teams competing in the National Ocean Science Bowl.
  - Our Community Education programs serve hundreds of residents and offer opportunities for many organizations and individuals to share their knowledge.
- In 2011 alone, we have invested over \$50,000 developing online science education tools for teachers, and expect to expand these investments over the next decade.
- PWSSC is formalizing ties with the University of Alaska.

### Investments made in our building

- In 1989, the PWSSC building was on the verge of being condemned, having been vacant for three years.
- Since 1989 **we invested over \$1 million in facility upgrades, repair and maintenance.**
  - Breakdown: \$500,000 from a 1990 grant for improvements, including lab equipment
  - \$300,000 from a 1998 grant for facilities renovation and addition
  - \$50,000 Foundation support for lab equipment and various renovations
  - \$150,000 Science Center funds (multiple roof repairs, new furnace, maintenance)
- The **\$1 million investment spread over 21 years** – if considered “in lieu of rent” – **would average \$4,000 per month.** During this period, the City of Cordova invested zero dollars in its asset.
- **PWSSC pays property tax due on its building**, per the requirements of the city lease (in 2010, it was \$1,100)
- If allowed to purchase our building, **we commit to continuing to pay the full property taxes** on the value of the improvements.



Mr. Jim Kallander

Mayor – City of Cordova

RECEIVED

JUL 13 2011

City of Cordova

Dear Mayor Kallander:

Jim, as you are aware, Ocean Beauty is a shore based processor dedicated to the communities of Alaska. We do not currently operate floating processors and consequently we believe that what benefits one of our facilities also benefits the communities where we operate. It has come to our attention that the property next to our facility in Cordova has again become available. You may recall that we were disappointed when we were unable to acquire this piece when it was last made available. Due to the proximity to our facility and our need to have additional space, we would appreciate it if the City would consider Ocean Beauty a priority in reallocating the property.

Our need for this space is for one of several potential uses which are still in the conceptual and planning stages. First, we have no space available for any expansion of processing capacity and the additional jobs it would bring. Secondly, we believe we need to consider producing salmon oil from heads not only for the economic benefit but also to aid in our company wide initiative to reduce the waste streams from our facilities. Although we are aware there is already a head oil plant in Cordova, we are very reluctant to continue being dependent on a competitor for removing some of our heads from the waste stream. Finally, we are need of additional warehouse space.

Although we have not determined a final use for the property, if we should be successful in obtaining it, any of the three above ideas would greatly benefit ourselves and the community. Once the acquisition was complete, we would expect to have the development process completed within 3 years.

I look forward to discussing this further when your schedule allows.

Sincerely,

Mark Palmer

Ocean Beauty Seafoods, LLC

June 28, 2011

**Subject: Concern for the Public's Safety of Aged Metal Truss Bridges**

*Making Safer Aged Metal Truss Bridges -Suitable for Modern Traffic Loads without Collapsing  
[Uncertain Load Posting based on the Current Safety Inspection Program of  
In-Service Truss Bridges does not Guarantee the Safety and Liability of Truss Bridges]*

Dear Sir and Madam:

I hope that the enclosed photos will be of interest to you and your colleagues.

As you are aware, many aged truss bridges are fracture critical. This means if one main component of a truss bridge were to fail, the entire bridge could collapse..

For example, the August 1, 2007 collapse of the I-35 W Bridge in Minneapolis killed 13 people and 145 people. The probable cause for this tragic collapse was due to the failure of the truss bridge connections at U10 and L11 (November 2008 Final Report, NTS).

We have been using a steel arch-reinforcing method to increase truss bridges' live load capacities, introduce redundancy with multiple independent load paths, and extend their life expectancy with the safety of the traveling public.

We have found that rehabilitating old steel truss bridges in this manner can result in a significant cost savings in contrast to replacing them with new bridges. A side benefit is that we have been able to keep traffic open on many of these bridges during rehabilitation.

Sincerely,

Jai B. Kim, P.E., Ph.D.  
Former Structural Engineer, U S DOT, Federal Highway Administration (2009-2010)  
Professor of Civil Engineering Emeritus  
Bucknell University

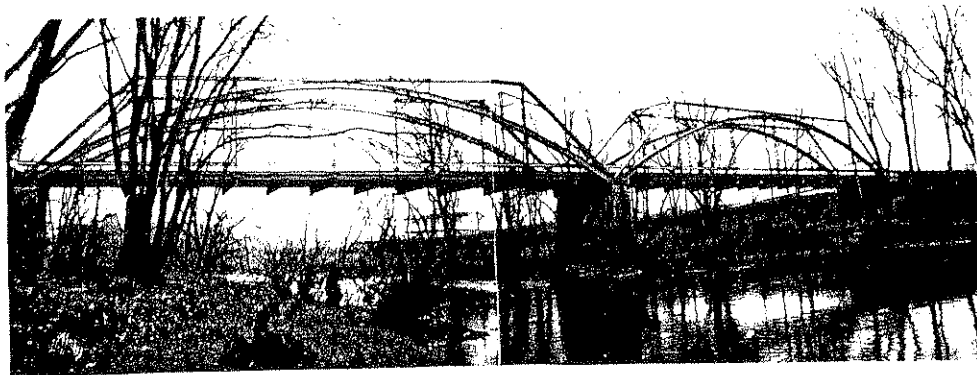
Mailing Address: P. O. Box 18  
Lewisburg, PA 17837  
Mobile Telephone: 570.490.7811  
Email: jaikim@bucknell.edu

RECEIVED  
JUL 18 2011  
City of Cordova

Jim  
Please see the back  
of the sheet added.  
I am not certain if you  
received this.  
Jan



230 ft. Truss Bridge With 3-ton Weight Limit, Carroll County, MD.



Arch-Reinforced Truss Bridge With 36-ton Weight, Carroll County, MD.

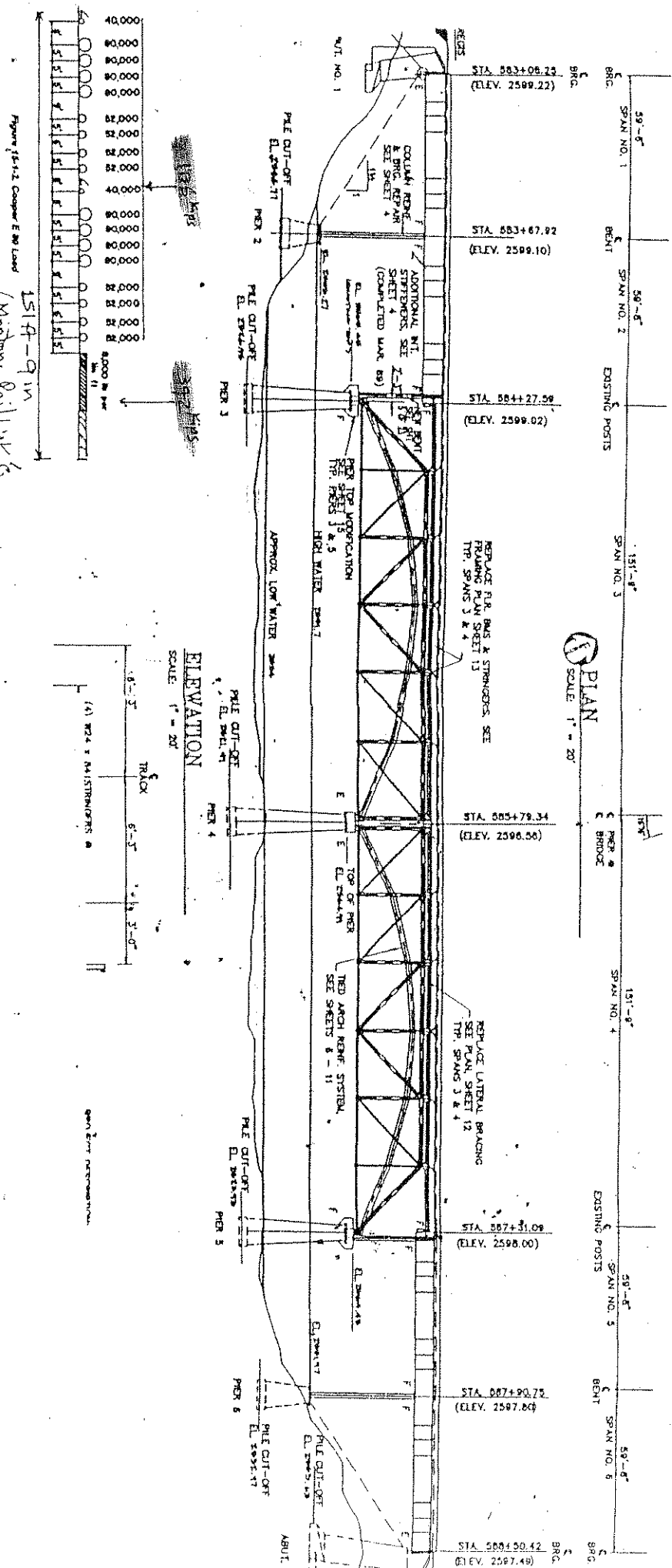


Jim I add that 1 1/2 hrs after the  
the I-35 W Bridge collapse, I was on an NBC affiliate  
in Chicago for the evening news.

I declared: the collapse was due to  
the failure of truss connections.

I had never been to the bridge.

All metal truss bridges will collapse  
due to their connection problems.



151'-9" in  
(Montana Rail Link  
Draw Span)

Montana Rail Link (4 #18 Dividing Post Tension Bars on each truss—or 8 bars for each  
151' 9" span are not seen)

Increased the load capacity to the Cooper 80 Rail Road  
Live Loading with Arches

(over)

# Memorandum

To: City Council

Thru: Planning Department Staff

Date: July 25, 2011

Re: Review of Performance Deed of Trust Criteria for Lots 1-4, Block 42, Cordova Original Townsite (02-072-370-373)

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## **PART I. GENERAL INFORMATION:**

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

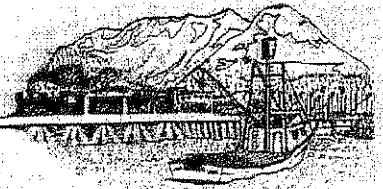
On July 20<sup>th</sup>, 2011 City Council meeting the Council awarded the disposal to Leo Americus for his proposal on Lots 1-4, Block 42 Cordova Original Townsite. Before the final purchase contract and Performance Deed of Trust can be written, the criteria for the Performance Deed of Trust need to be approved by City Council. Below is what the Mr. Americus included in his proposal for building size. Council is charged with determining what will be included in the Performance Deed of Trust; the list below is provided as a starting point for City Council to edit as they see fit.

### Performance Deed of Trust Criteria

1. A two-story 400 square foot residential building with an efficiency apartment on the lower floor.

At this time staff is asking council to provide the Performance Deed of Trust criteria so that the purchase documents can be forwarded to and reviewed by the City attorney.

# 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.

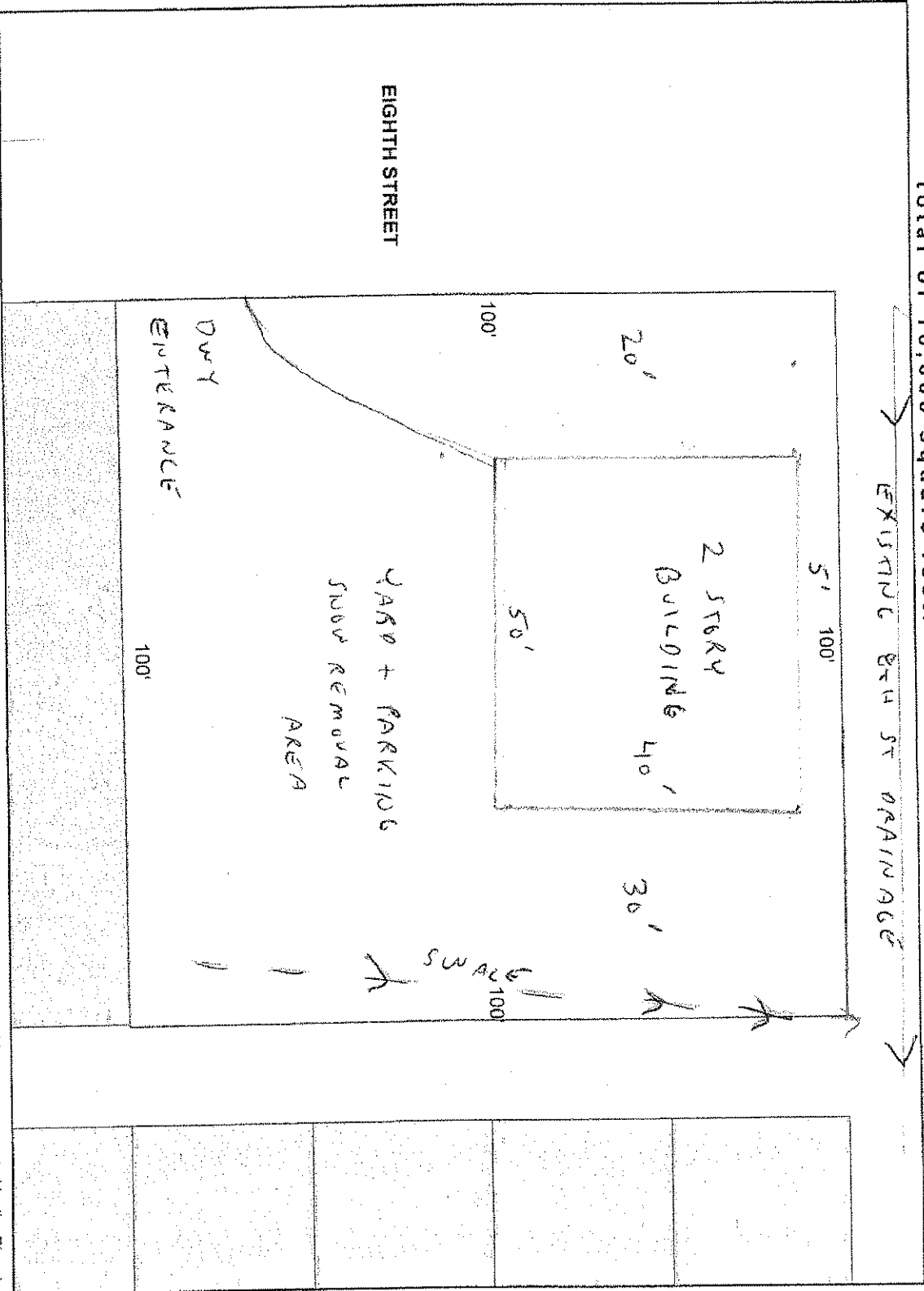
(Prior code § 15.204.2(F)).

**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's 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 it 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 alot 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

**From:** John Johnson@QHR.com [mailto:John.Johnson@QHR.com]  
**Sent:** Wednesday, July 27, 2011 8:20 AM  
**To:** Mark Lynch  
**Cc:** bill\_henning@qhr.com  
**Subject:** Additional Question 7/23 - QHR Responses

Mark,

I have provided responses to the additional questions. Please confirm receipt by returned e-mail.

Hope you are recovering from your health issues.

Let me know if the HSB or City need any further clarifications related to the RFP.

1. What recommendation does QHR have regarding the expansion of Long Term Care and Swing Bed services? As part of the strategic planning process offered by QHR, the expansion of the LTC and Swing Bed program would be based on the need shown in the community, the out-migration from the community by patients for these services and the market size of patients who have left the community for higher level acute services who could potentially be placed back in the community in an LTC or Swing Bed if those services were available. This decision would need to be made in the context of the community need, personnel and facility/equipment investment required for this expansion and the business impact this expansion would have on the rest of the hospital. This expansion would also depend on the availability of physicians to provide care for these patients.

2. Concerning the question regarding the HSB governing board, what would QHR's response be to an advisory board structure? The governing body needs to be in compliance with accreditation and regulatory obligations. Changes to the existing governance structure needs to take into account State and CMS requirements. QHR would facilitate a discussion with the HSB and City to identify the pros and cons of the various governance options. The board has specific responsibilities in the areas of compliance, quality, credentialing, etc that need to be considered during a governance restructure.

3. Please elaborate further on the expansion of services. As part of the strategic planning process, it would include the review of out-migration data from the community of patients for services not currently offered by the facility. This information would be used to identify potential service expansion, physician recruitment that would be needed to provide these services and the investment required by the facility in both capital, additional personnel and training required to provide the services being considered. A financial impact would be developed to provide the governing board with the information needed to make an informed decision on specific service expansion opportunities.

4. Please define further provider recruitment and retention. A stable medical staff is imperative to the success of CCMC. QHR recommends a collaborative effort with the Ilanka CHC in regards to physician/mid-level recruitment and retention. QHR as stated before, would perform a medical staff needs analysis identifying the appropriate number and mix of physicians/mid-levels. This analysis is critical as a shortage of providers creates out-migration concerns and an overage can cause retention issues. QHR utilizes six physician recruiting firms that were vetted based on their placement processes and success rates. These QHR Strategic Service Partners (SSP's) provide either contingency or retainer options to our managed clients at a considerable discount. They have placed over 25 physicians in Alaska during this last year.

**John Johnson**

Vice President  
Quorum Health Resources, LLC  
1901 Marti Circle  
Longmont, CO 80501  
303-702-0349 Phone  
303-517-9043 Cell



**Helping Hospitals Survive & Thrive.**

[www.QHR.com](http://www.QHR.com)  

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## A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

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DATE: July 28, 2011  
TO: Mayor and City Council  
SUBJECT: Health Services Board

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There has become a vacant seat on the Health Services Board which serves a three-year term to expire in August 2012. **Kerin Kramer** has stepped down. **Mayor Kallander** has received confirmation from Council Member **James Kacsh** that he is willing to fill the remainder of this term. **Mayor Kallander** is of the opinion that since the City and the Board are in the final stages of deciding the future of Health Care management in Cordova, it would be best to appoint someone who is already knowledgeable of the RFP and proposals that have been received and reviewed. **Mayor Kallander** asserts that **Mr. Kacsh** has been involved throughout this process as a Council member and was also a member of the Health Services Board not long ago.

RECOMMENDED MOTION: Move to approve Mayor Kallander's appointment of James Kacsh to the Health Services Board, to serve the remainder of a three-year term that will expire in August 2012.

REQUIRED ACTION: Majority voice vote.

## **PENDING AGENDA**

Capital Priorities List Meeting – **September 2011, December 2011**

### **Committees:**

Cordova Center Committee: Tim Joyce, Sylvia Lange, VACANCY, Darrel Olsen, Larue Barnes, VACANCY, Valerie Covell, David Roemhildt, Dan Logan, Nancy Bird, and Cathy Sherman

Fisheries Advisory Committee: David Reggiani, PWSAC; Ken Roemhildt, Seafood Sales; Jim Holley, AML; Torie Baker, Marine Advisory Program Coordinator; VACANCY; and Brian Marston, ADF&G

Cordova Trails Committee: Elizabeth Senear, VACANCY, Jim Kallander, Toni Godes, and David Zastrow

Public Services Building Design Committee: David Reggiani - Chairman, Chief Baty, Martin Moe, Jim Kacsh, Dick Groff, Mike Hicks, Tom Bailer

# August 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
<b>Location Legend</b> CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib	1	2	3 7:30 reg mtg LMR Sch Bd 7pm HSL	4	5 11 am work session in re EOP - Oil Spills LMR	6
7	8	9 P&Z Commission Mtg 7pm CH —Lynch at AML—	10 Hrbr Cms 7pm CH HSB 7pm LMR —Lynch at AML—	11 —Lynch at AML—	12 —Lynch at AML—	13
14	15	16	17 7:15 pub hrg LMR 7:30 reg mtg LMR	18	19	20
21	22	23	24	25	26	27
28	29	30	31	<b>Location Legend</b> CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib		

# September 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib				1	2	3
4	5 Labor Day—City Hall Offices Closed	6	7 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	8	9	10
11	12	13 P&Z Commission Mtg 7pm CH	14 Hrbr Cms 7pm CH HSB 7pm LMR Sch Bd 7pm HSL	15	16	17
18	19	20	21 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	22	23	24
25	26	27	28	29	30	Location Legend CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib

# October 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend CH—City Hall Conference Room LMR—Library Meeting Room						1
2	3	4	5 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	6	7	8
9	10	11 P&Z Commission Mtg 7pm CH	12 Hrbr Cms 7pm CH HSB 7pm LMR Sch Bd 7pm HSL	13	14	15
16	17	18 Alaska Day—City Hall Offices Closed	19 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	20	21	22
23	24	25	26	27	28	29
30	31					Location Legend CH—City Hall Conference Room LMR—Library Meeting Room