

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
Shyla Krukoff

**REGULAR COUNCIL MEETING
NOVEMBER 02, 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
 - a. **Belen Cook** – Native Village of Eyak
 - b. **Paul Voelckers** – MRV Architects, Cordova Center..... (page 1)
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)
 - a. Student Council Representative

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

4. Record unexcused absence of Council member Keith van den Broek from the 10-19-11 Regular Meeting
5. Proclamation recognizing NVE's 18th Annual Sobriety Celebration..... (page 8)
6. Ordinance 1089..... (page 9)
An ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lots One through Four, Block forty-two, Cordova Townsite to Leo Americus – 1st reading

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

7. October 19, 2011 Regular Meeting Minutes..... (page 35)

I. CONSIDERATION OF BIDS - None

J. REPORTS OF OFFICERS

8. Mayor's Report
9. Manager's Report..... (page 42)
10. City Clerk's Report..... (page 43)
11. Staff Reports
 - a. **Josh Hallquist**, COR, Cordova Center Project
 - b. **Cathy Sherman**, Cordova Center Phase 2
 - c. **Sam Greenwood**, City Planner, in re policy for Performance Deeds of Trust.....(page 44)
 - d. **Buck Adams**, City Investments, UBS Financial Services..... (page 46)

K. CORRESPONDENCE

12. Letter from Tim Joyce in re Referendum Petition on Ordinance 1088..... (page 61)
13. Letter from Joe Arvidson in re water pipe repair bill..... (page 63)
14. Mayor's letter to Governor Parnell..... (page 64)

- 15. Mayor's letter to Deputy Commissioner Mike Barnhill, Dept. of Administration (page 65)
- 16. Mayor's letter to Director Karen Rehfeld, Office of Management & Budget..... (page 66)
- 17. Mayor's letter to Commissioner Streur, Department of Health & Social Services..... (page 67)
- 18. Mayor's letter to Erik Elam, Office of Congressman Don Young..... (page 68)
- 19. Letter from US Asst. Atty. General to lawyer in Anchorage in re redistricting (cc'd to City)..... (page 69)
- 20. Mayor's letter to Senator Murkowski in re SRS Reauthorization..... (page 70)
- 21. Email from Bitney in re redistricting lawsuits..... (page 71)

L. ORDINANCES AND RESOLUTIONS

- 22. Ordinance 1090..... (voice vote)(page 72)
An ordinance of the City of Cordova, Alaska, amending Cordova Municipal Code Chapter 3.32 to enact section 3.32.030 authorizing the City Council to charge fees for the use of all public works – 1st reading

M. UNFINISHED BUSINESS

- 23. Council approval of lien release..... (voice vote)(page 74)

N. NEW & MISCELLANEOUS BUSINESS

- 24. Request for Purchase of City land, Lot 6 Block 2 South Fill DP..... (voice vote)(page 75)
- 25. Council concurrence of Mayor's appointments to the Fisheries Advisory Committee.... (voice vote)(page 80)
- 26. Pending Agenda and Calendar..... (page 81)

O. AUDIENCE PARTICIPATION

P. COUNCIL COMMENTS

- 27. Council Comments

Q. EXECUTIVE SESSION

- 28. Cordova Center Financial Update
- 29. Update on Sales Tax Delinquencies

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

MRV ARCHITECTS

1420 GLACIER AVENUE, JUNEAU, AK 99801 (907) 586-1371
PAUL VOELCKERS ROBERT MINCH

Project: **Cordova Center**
Subject: Phasing Options

Memo 02

To: Cathy Sherman
From: Paul Voelckers
Date: September 10, 2009

MRV 0824

You asked us to explore the possibility of constructing the Cordova Center project in phases. Phasing the construction may be desirable for two key reasons - to accelerate possible completion of the project, and to lock in grant funds before they expire. It is relatively common to break construction projects into phases, typically for either schedule or financial reasons. This memo identifies recommendations for phasing, if that option is chosen.

Successful phasing of construction requires a clear definition of the construction scope, and a logical dividing line between a phase of work and phase(s) that will follow. It is very important that subsequent work is not made more complicated by unclear or over-lapping construction requirements.

The Cordova Center project is a relatively large, ambitious project. The site work and foundations are the most complex element of the project, given its location on the existing bluff between Main Street and the waterfront area near the current City offices. The building will include four levels, with the three lower levels notched into the existing rock, requiring excavation and blasting.

Given this, we believe a logical first phase would include rough site work, excavation, blasting, concrete work, steel structure, and exterior enclosure. This would leave a second phase that would include interior finish work, mechanical systems, electrical systems, and site finishes.

We believe this phasing strategy would be practical and clean. First, it would focus the first phase on closely related trades, including excavation, rock work, steel reinforcing, concrete, and steel systems. It would be difficult or impossible to separate these elements, since they all work together to insure the structural integrity of the basic building shell.

Second, this phasing strategy would leave significant, clean portions of work for subsequent bidding, including the bulk of mechanical and electrical systems, all interior build-out, and the majority of finishes. The second phase contractor would have a clean, complete superstructure to work from.

All things equal, bidding the project in two phases can be somewhat more expensive. This is because the project will incur the costs of two bid processes, and each of the contractors will include some fixed over-head expense for mobilization, bonding, etc. that would be combined and more economical if bid in a single larger project.

That said, we believe that the relatively low-risk nature of the second phase, with all superstructure in place, coupled with the efficiency of working in an enclosed environment, will be attractive to bidders and could counteract some or most of this cost penalty.

Phase One:

Site Work:	\$1,020,000
Substructure:	\$1,461,000
Superstructure:	\$1,967,000
Exterior Closure:	\$1,352,000 (upgrades windows, rigid insulation)
Roof systems:	\$ 228,000
Mechanical:	\$ 80,000 (sleeves, below-slab, etc.)
Electrical:	\$ 50,000 (conduit, sleeves, etc.)
Mark-up, overhead	\$2,586,000 (mobilization, operations, profit, inflation @ 42%)

Phase One Construction Estimate: **\$8,744,000** (includes 4% inflation to spring, 2010)

Phase Two:

Site Work:	\$ 492,000
Interior Construct:	\$1,282,000
Elevator System:	\$ 181,000
Mechanical:	\$2,052,000
Electrical:	\$1,458,000
Equipment:	\$ 421,000
Mark-up, overhead	\$2,472,000 (mobilization, operations, profit, inflation @ 42%)

Phase Two Construction Estimate: **\$8,358,000** (includes 8% inflation to spring, 2011)

Once separated, we recommend that approximately \$9,600,000 be allocated to the work identified above for Phase One, and roughly \$9,700,000 be allocated to work for Phase Two, including construction contingency, management, design, exhibits, etc.

The Phase One working total appears to be comfortably within the funds you have available at this point, but that determination is beyond the scope of this memo.

Please get back to me if I can offer any more information on the phasing strategy, or estimated costs.

Informational

MRV ARCHITECTS

1420 GLACIER AVENUE, JUNEAU, AK 99801 (907) 586-1371

September 19, 2011

Amendment #11

Attn: Cathy Sherman, Project Liaison

Re: Contract Amendment #11, MRV 1119
Site Modifications and Additions, Redden Marine Area

Per your request, we have identified design costs associated with contract design modifications to expand and alter the site plan to include the area formerly owned by Redden Marine. Such expansions will increase the parking area, provide an accessible sidewalk route to the building, add site lighting, and shift underground utilities and storm water run-off features.

See attached Fee Proposal totaling \$24,448 for these additional services. Completion of these services will be concurrent with other Phase II bid document completion, scheduled for mid-November.

With this signed form, Amendment #11 will be made a part of the general design contract dated May 13, 2002, and will be governed per those provisions.



Paul Voelckers
MRV Architects

Cathy Sherman
City of Cordova

Dated 9-19-2011

Dated _____

MRV ARCHITECTS PROFESSIONAL SERVICES ANALYSIS

Cordova Center					MRV 1119
Redden Marine Site Design					September 19, 2011
STAFF CATEGORIES	PIC	PM	AD	D	WP
HOURLY RATES (\$/HR)	142	120	92	72	57
Site option development	2			4	
CAD base revisions, expansion		2		12	
Site details: ramp, railings, retaining		4	4	24	
SUBTOTAL HOURS	2	6	4	40	0
SUBTOTAL FEES	284	720	368	2,880	0
SUBTOTAL MRV DESIGN FEES					4,252
CONSULTANTS					
PN&D Site Design Increases and Modifications					16,700
AMC Site Electrical Design					2,000
SUBTOTAL					18,700
MRV OH/P Mark-up @ 8%					1,496
SUBTOTAL ENGINEERING CONSULTANT FEES					20,196
LUMP SUM PROPOSAL					24,448



ENGINEERS, INC.

August 15, 2011

PND 02040.05

MRV Architects
Paul Voelckers
800 Glacier Avenue, Suite A
Juneau, Alaska, 99801

Subject: Cordova Center Phase II Fee

Mr. Voelckers:

Outlined below is our fee estimate for update of the Phase II design documents to reflect the inclusion of the Redden Marine property. The fees are broken out by task:

<i>Task Description</i>	<i>Total</i>
1. Provide New Demo Sheet and Details	\$4,000
2. Provide Updated Project Control Sheet	\$1,200
3. Update Site & Grading Plan	\$3,000
4. Update Project Layout Plan and Tables	\$2,500
5. Provide Storm Drain Layout Plan and Profile for New Parking	\$2,500
6. Provide Design SWPPP	\$3,500
Total	\$16,700

The fee estimate does not include survey of the newly included parcel. The proposed area has not been surveyed for topography or utility locations. It is assumed that the contractor will demo all existing improvements. The above fee does not include construction phase services.

Sincerely,

Doug Kenley, PE
Principal Engineer
PND Engineers, Inc.

AMC Engineers

AMC Number: 0280132

AMC Code: CORCEN

Prepared by: KTR

Approved by: 

Adams, Morgenthaler and Company, Inc.

701 East Tudor Road, Suite 250

Anchorage, AK 99503

(907) 257-9100

Proposal Date: 19-Sep-11

Cordova Center - Lower Parking Lot Lighting**Engineering Fee Proposal - Summary of Services****Design Services**

Lower Lot Lighting Design

Mechanical

Electrical

\$2,000

M/E Combined

\$2,000

***Basis**

LSFF

Total Design Services**\$2,000*****Basis Codes:**

LSFF

NTX

T&EB

T&E

NIC

TBD

Lump Sum Fixed Fee

Time & Expenses, not to exceed limit

Time & Expenses "Budget" (only)

T&E = Time & Expenses

NIC = Not in Contract

TBD = To Be Determined

Thank you for selecting AMC to work with you on this project!!

AMC Engineers

AMC Number: 02801

AMC Code: CORCEN

Prepared by: KTR

Adams, Morgenthaler and Company, Inc.

Proposal Date: 19-Sep-11

Electrical - Lower Lot Lighting Design

TASKS	ENGR 8	ENGR 7	ENGR 6	ENGR 5	ENGR 4	ENGR 3	ENGR 2	CAD	ADMIN
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Coordination w/Architect & Civil 0.5

1

Site Plan Drawing Setup/Preliminary Layout

1 2

Fixture Selection

0.5

1

Calculations including LEED calculation requirements

0.5

5

Integration into drawing set

0.5

1 2

Hour Totals: 2 0 0 0 0 0 9 0 0 0
 Billing Rate: \$ 195 \$ 185 \$ 165 \$ 155 \$ 145 \$ 135 \$ 125 \$ 95 \$ 75
 Billing Subtotals: \$ 390 \$ - \$ - \$ - \$ - \$ 1,215 \$ - \$ 380 \$ -

Expenses \$ -

Total Phase Fee \$ 2,000

CITY OF CORDOVA, ALASKA PROCLAMATION

A PROCLAMATION BY JAMES KALLANDER, MAYOR OF CORDOVA, ALASKA RECOGNIZING THE 18th ANNUAL SOBRIETY CELEBRATION AND MEMORIAL POTLATCH SPONSORED BY THE NATIVE VILLAGE OF EYAK

WHEREAS, alcohol and drug abuse are serious health and social concerns that affect and impact all family members as well as entire communities; and

WHEREAS, the Native Village of Eyak promotes sobriety through social gatherings and education; and

WHEREAS, the Sobriety Celebration's mission each year is to bring awareness of alcoholism and drug abuse to the community, and to celebrate through cultural healing for those suffering from dependency; and

WHEREAS, the Native Village of Eyak's 18th Annual Sobriety Celebration & Memorial Potlatch theme is "*Sobriety Is One Of The Greatest Gifts To Give Our Family*" and will be held in Cordova from November 11th through 13th, 2011; and

WHEREAS, the Native Village of Eyak invites everyone to celebrate with them the progress that their culture has made in promoting and achieving sobriety through good food; an arts and crafts fair; educational workshops; inspirational speakers; honoring of our Elders, youth and veterans; sobriety countdown; Alaska Native dancing; and 12 step meetings.

NOW, THEREFORE BE IT PROCLAIMED THAT I, Mayor James Kallander, on behalf of the City Council and the community of Cordova, Alaska do hereby proclaim the 18th Annual Sobriety Celebration and Memorial Potlatch to be an inspiration of community commitment to aid and educate its community members concerning the abuse and misuse of alcohol and drugs through the social events held at the Sobriety Celebration.

SIGNED THIS 2nd DAY OF NOVEMBER, 2011

James Kallander, Mayor

Memorandum

To: City of Cordova City Council
From: Sam Greenwood, City Planner
Date: 10/27/2011
Re: Ordinance authorizing to convey Lots 1-4, Block 42 to Leo Americus

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
5. July 20, 2011; City Council awards the disposal of Lots 1-4 Block 42 Original Townsite to Leo Americus
6. August 3, 2011; City Council reviews and approves Performance Deed of trust Criteria
7. October 5, 2011; City Council discussed Performance Deed of Trust contract and referred back to staff
8. October 19, 2011; City Council discussed Performance Deed of Trust in executive session

At the October 5, 2011 city council meeting the documentation for the sale of lots 1-4 was presented to city council, including the new Performance Deed of Trust contract that was drafted by the attorney. There was discussion on the use of this type of performance deed of trust for a residential sale and the issue was referred back to staff. Since that time the issue has been discussed in an executive session at the October 19th meeting and the city attorney reconstructed the performance deed of trust according to council's instructions.

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 Lots 1-4, Block 42 Cordova Original Townsite to Leo Americus.

Recommended Motion

Motion for approval:

"I move to adopt Ordinance 1089 an ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lots One through Four, Block Forty-Two, Cordova Townsite to Leo Americus."

**CITY OF CORDOVA, ALASKA
ORDINANCE 1089**

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

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

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

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

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

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

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

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

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

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

1st reading: November 2, 2011

2nd reading and public hearing:

PASSED AND APPROVED THIS 16th DAY OF NOVEMBER, 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 October __, 2011 (the "Effective Date"), by and between the CITY OF CORDOVA, an Alaska municipal corporation ("Seller"), whose address is P. O. Box 1210, Cordova, Alaska 99574, and LEO AMERICUS ("Purchaser"), whose address is P. O. Box 2112, Cordova, Alaska 99574.

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

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

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

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

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

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

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

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

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

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

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

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

4. Title.

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

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

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

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

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

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

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

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

7. Conditions Precedent to Closing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. Default.

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

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

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

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

16. Escrow.

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

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

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

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

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

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

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

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

17. Reciprocal Indemnification.

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

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

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

18. General Provisions.

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

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

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

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

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

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

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

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

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

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

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

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

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

Seller:	City of Cordova Attn: City Manager P. O. Box 1210 Cordova, Alaska 99574
Purchaser:	Leo Americus P. O. Box 2112 Cordova, Alaska 99574
Escrow Agent:	Pacific Northwest Title of Alaska, Inc. 3201 C Street, Suite 110 Anchorage, Alaska 99503
Title Company:	Pacific Northwest Title of Alaska, Inc. 3201 C Street, Suite 110 Anchorage, Alaska 99503

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

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

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

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

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

SELLER: CITY OF CORDOVA

By: _____
Mark Lynch, City Manager

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

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

Notary Public in and for Alaska
My commission expires:_____

PURCHASER: Leo Americus

By: _____
Leo Americus

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

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

Notary Public in and for Alaska
My commission expires: _____

EXHIBIT A

Legal Description of the Property

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

EXHIBIT C
Form of Quitclaim Deed

CORDOVA RECORDING DISTRICT

Recording requested by and
after recording, return to:

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

QUITCLAIM DEED

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

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

DATED this _____ day of October 2011.

GRANTOR:

CITY OF CORDOVA

EXHIBIT; DO NOT SIGN

Mark Lynch, City Manager

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

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

EXHIBIT; DO NOT SIGN

Notary Public in and for Alaska
My commission expires: _____

EXHIBIT D
Form of Performance Deed of Trust

CORDOVA RECORDING DISTRICT

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

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

PERFORMANCE DEED OF TRUST

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. REMEDIES UPON DEFAULT.

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

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

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

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

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

7. TRUSTEE.

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

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

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

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

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

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

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

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

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

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

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

8. HAZARDOUS SUBSTANCES.

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

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

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

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

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

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

8.2 Definitions. As used in this Section 8:

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

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

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

10. MISCELLANEOUS.

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

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

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

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

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

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

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

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

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

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

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

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

TRUSTOR:

LEO AMERICUS

EXHIBIT; DO NOT SIGN

By: _____
Leo Americus

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

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

EXHIBIT; DO NOT SIGN

Notary Public in and for Alaska
My commission expires: _____

**CITY COUNCIL REGULAR MEETING
OCTOBER 19, 2011 @ 7:30 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor James Kallander called the Council Regular Meeting to order at 7:30 PM on October 19, 2011, in the Library Meeting Room.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Kallander led the audience in the Pledge of Allegiance.

C. ROLL CALL

Present for roll call were *Mayor James Kallander* Council members *James Kacsh*, *David Allison* (via teleconference), *Bret Bradford*, *EJ Cheshier*, *David Reggiani* and *Robert Beedle*. Council Member *Keith van den Broek* was absent. Also present was City Manager *Mark Lynch* and City Clerk *Susan Bourgeois*.

D. APPROVAL OF REGULAR AGENDA

M/Reggiani S/Kacsh to approve the Regular Agenda.

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

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

1. Guest Speakers - None

2. Audience comments regarding agenda items

Tim Joyce, 1001 Pipe St, referred to the minutes in the packet where Council was asked by a member of the community to postpone action on Ordinance 1088. The ordinance was passed by Council. That community member is now collecting signatures to refer Ordinance 1088 to a vote of the people. It is the right of the people to have a vote on controversial ordinances. However, a property sale that followed all of the procedures and all the codified ordinances of the City is hardly controversial. The referral vote is challenging the process now used by the City. The person sponsoring this referendum wants to have a business plan on file prior to any purchase. The next requirement would be to require financial disclosure for perspective purchasers. That means that the City would have to have any resident or company show to the City Council the last few years of their revenue to prove their assets and debts. He submits that to require that kind of disclosure would end any City land sales as not many people or business are going to open their financial records to the public and to their competitors just to buy land from the City. They will take their business elsewhere. *Joyce* stated that as a result of this petition to stop land sales by the City, the City needs to put a moratorium on all land sales until this issue is resolved. If the City does continue with land sales then the City runs the risk of having those land sales challenged in court if this referendum is referred to the people and is passed. He added that you cannot pick and choose which ordinances to follow. You have to follow all the ordinances before you and Council did when they made this particular sale. However, if enough people do sign the petition and refer this sale to a vote then that means the community does not agree with the existing ordinances on file and therefore would disagree with any future sales. He urged the Council to place a moratorium on all land sales until the issue is settled.

3. Chairpersons and Representatives of Boards and Commissions

Allison reported that the HSB passed their budget at their meeting last week and has submitted their capital improvements list which is in the packet.

Reggiani reported that P&Z has submitted a resolution to Council with their capital improvements recommendations which is also included in the packet.

Beedle reported that the Harbor Commission is looking towards a future expansion of the harbor and would include slips for boats longer than 40' which have been in demand for the last year. Due to the damage from the north wind the harbor has lost 3 more 50' finger floats during the winter of 2010/2011. Since the last expansion in the early 80's the winter storms have cost the harbor the loss of about 70 50' finger floats (14 slips) and 3 30' finger floats (6 slips). The topic of a harbor expansion is a valid topic but they are looking at some ways to mitigate the expensive project. In the next 10-15 years it will have to be renovated as it will be at the end of its useful life. They worked on a rough draft of the harbor facilities and uplands. They discussed boat trailer and boat storage options on the North Fill. He opined that the breakwater is crucial for damage control; the full extent of that damage is hard to evaluate.

Bradford reported that Parks & Rec has discussed their capital improvements and maintenance budgets and will submit their list by the next meeting.

Jim Nygaard reported on the schools. He stated that they are wrapping things up at Mt. Eccles. There is just a small punch list left with small electrical issues and some rain seepage. Signage is going up at the District Office and Playground. He informed Council that the City really made itself available for support to ensure a safe startup of the school which he really appreciated. The traffic pattern for parents to pick up their kids has been established. Archery in Schools is going well; they had to order some more equipment as a result of the turnout for the activity. He thanked **Bret Bradford** for working with that program. **Dave Crowley** is starting a shooting club out of the hound pound that meets twice a week. They have had almost two dozen kids turning out for that activity. They got the preliminary audit back with no findings or flaws. It was a clean audit. The ILP building (Innovative Learning Program) painting will be completed tonight. Plumbers and cabinet workers are here and should have that done by the weekend. The temporary heat should be put in and completed by the weekend. The last items will be getting the fiber in for the technology, carpet, linoleum and siding to finish up the project. There has been a set back with some of the cabinetry that will push the final completion date back. The design/build is quicker, more hand-in-hand with the builders. It has worked well. They are getting rid of the last old modular which is out to bid right now. They are adding a roof extension on the furnace building so cars can be stored out of the weather; this is also out to bid and should be wrapped up by November. They are starting to do budget workshops. October is count month for the schools for the State which determines the amount of money the school will get. There was an eligibility conflict at school in regards to sports. The ineligibility list didn't get printed and some students participated in sports when they should not have been allowed. It was an unfortunate situation. He updated Council on what they are doing to meet AYP (Annual Yearly Progress-No Child Left Behind) and how to meet the goals for next year. They are implementing MAP (Measure of Academics Progress) which is a computerized test that tests kids at their grade level. This will help them have current and accurate assessments. They are able to do a waiver on the Terra Nova assessments now that the district is using the MAP program. Facilities use has been brought to the board, there was no vote. They talked about putting a cap on the fees. They met Monday and will meet again next week to come up with something that is acceptable to all of the board. **Mayor Kallander** asked where he is at with enrollment. **Nygaard** responded that they don't have an official number yet but it is probably about 350 students which is about 12 down from last year. They have been steadily losing 8-10 kids a year. It isn't that they are losing kids but that the amount graduating is not being replaced at the Kindergarten level. **Mayor Kallander** thanked **Nygaard** for responding to his letter of questions.

a. Student council Representative – was not in attendance

G. APPROVAL OF CONSENT CALENDAR

MINUTES – REGULAR MEETING

OCTOBER 19, 2011

PAGE 2 OF 7

Mayor Kallander informed Council that the Consent Calendar was before them.

4. Record excused absence of Council member Keith van den Broek from the 10-5-11 Regular Meeting.
5. Proclamation declaring November 1, 2011 as “Extra Mile Day”.
7. Resolution 10-11-50

A resolution of the City Council of the City of Cordova, Alaska supporting nomination of a non-motorized path connecting the AMHS Cordova ferry terminal with Cordova’s town center to the AK DOT/PF TRAAK program

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

H. APPROVAL OF MINUTES

M/Reggiani S/Bradford to approve the minutes.

8. October 05, 2011 Public Hearing Minutes
9. October 05, 2011 Regular Meeting Minutes

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

I. CONSIDERATION OF BIDS - none

J. REPORTS OF OFFICERS

10. Mayor’s Report

Kallander reported that he had meetings in Anchorage with **Kristin Ryan**, Director of DEC, on LT2. She has assembled a team that is closely monitoring Portland’s progress with the variance and Cordova will be the Alaska test variance. He feels confident that we will come out good on this, they want the variance; they think the thing is ridiculous. **Bill Streur**, HSS, won’t oppose funding for the hospital roof repairs and they are looking into options to help with EMR (Electronic Medical Records). Federal money is set up as a reimbursement for EMR. He is feeling optimistic about the whole thing and that we might be able to wiggle out of this high dollar project. He also met with **Susan Humphrey-Barnett** who oversees regional hospitals for Providence (Kodiak, Seward, and Valdez) Cordova’s CEO will report to her. He was hoping to have a contract this week for Council to look at but after talking to Holly it sounds like we are still a little ways away from that due to the governance issue. **Humphrey-Barnett** is looking at other programs available, one is that veterans will be able to seek health care here at our facility and the hospital would receive some funding from that program.

11. Manager’s Report

Lynch reported that the USCG expects to award the contract for the removal of the Sound Developer early next week. They have asked to have a meeting early next week immediately after choosing the contractor. In regards to Secure Rural Schools funding (i.e. Timber receipts), Senator Murkowski has proposed extending it to 2017 but it still has to pass the Senate budget and then pass the House. For the City budget the general fund numbers from the departments should be to him by the end of the week. If the number for the hospital is close to the same as last year we will be very close to a balanced budget but we won’t know till he gets the final numbers from Providence. The referendum petition has put the Science Center on hold.

12. City Clerk’s Report – written report in packet

Bourgeois reported that she has found a cleaner way to put agenda packets into one PDF. She highlighted the few days she will be taking off in the next couple months and the two training opportunities. One is with the Foraker Group on November 18th and the other with **Holly Wells** (City Attorney) in December or January. She informed Council that shared fisheries business tax is a three way split between Cordova, Valdez and Whittier. She talked to **Bill Rolfzen**, who handles this for the State, and asked his opinion if it

would be worth trying to get a different split as Cordova has a much higher fishery base than the other two. She needs to know from Council if they would like to seek an alternative split. They would have to get all three communities to agree or they will have to do a long form. She has had communication with Valdez who is willing to talk numbers with her. **Mayor Kallander** asked for this years projected amount. **Lynch** responded that it was \$195K to be split three ways as it stands it would be about \$65K a piece. **Mayor Kallander** recapped that it could be \$20K in our favor to fight it. **Bourgeois** responded that it could be higher than that. **Mayor Kallander** opined that it should be based on the fisheries infrastructure and Cordova has the largest in the region except for Kodiak. **Bourgeois** stated that if it's based on population Valdez would get more so it would have to be a set percentage split. **Kacsh** opined that it would be a small pot at the risk of upsetting our neighbors. **Bradford** stated that a lot of time and effort has been put into this already and he doesn't see why we couldn't approach Whittier with the option. **Beedle** asked about the long form. **Bourgeois** stated that if all three communities did the long form then the State decides the percentage allocation. **Lynch** stated that Whittier does not have the infrastructure for fisheries that this money is meant for. **Mayor Kallander** asked for concurrence to look into getting a bigger share. **Cheshier** stated that he can't see that it would hurt to look into it more, short of doing the long form. **Reggiani** supported it. **Bradford** supported it. **Kacsh** did not support it. **Beedle** stated he was unsure. **Allison** supported it. **Mayor Kallander** announced concurrence **Bourgeois** also reported that she has an unofficial number on the raw fish tax at \$1,365,497.

13. Staff Reports

a. Josh Hallquist, COR, Cordova Center Project

Council took a few minutes to read the written report **Hallquist** handed out. **Beedle** asked how many more concrete pours are left. **Hallquist** replied they should be done by the 2nd week in November. The architect is still only visiting on a bi-monthly basis and he thinks it should be more often. They are 1.5 months behind on the Phase II design schedule. They were supposed to be done by August and now they are looking at having a set to review in the middle of November. **Beedle** asked if they will be bringing in more crew. **Hallquist** responded that they did bring in three more guys for the wall framing crew. He would like to see a few more iron workers. **Mayor Kallander** asked if MRV is doing any better in defending our position and taking responsibility. **Hallquist** responded that they are working through items, double checking what MRV should have done. It is moving forward but it is an effort.

b. Cathy Sherman, Cordova Center Phase II

Sherman reported that she had a teleconference Monday with the theater consultants and met with the local theater groups and the Stage of the Tides group going through the theater areas. They will have a second teleconference on the audio/video needs. They are identifying furnishing equipment needs on November 2nd & 3rd that may have been missed in the original budget estimation. **Lynch** has been forwarding her some grant and funding opportunities to look into for Phase II. She is meeting with the Chamber of Commerce next Friday to continue development for the future community infrastructure on how they will handle conferences and meetings with lodging and logistics. She anticipates that they will give a presentation by the end of the year. The 1% for Art committee will meet in November. She had a teleconference with OAC and the City attorney's. The negotiations are waiting on some numbers from Dokoozian on the concrete work. The EVOS funds have been released this week which is progress. **Mayor Kallander** stated that the City gave the Chamber money to start working on promotions and maybe management but feels that they should have a work shop or a discussion to keep it in-house. He feels that the management responsibility of the facility is critical to the success. He would like a discussion between **Sherman**, himself, City Council and the City Manager on a job description for management and execution of events and whether we need to add personnel or designate a portion of a job description towards that. **Sherman** responded that the management of the facility will be the City's responsibility and right now she is doing it as the City's representative. The business plan for the Cordova

Center does leave the responsibility with the City. They are discussing with the Chamber things like who can and cannot book conference rooms and such. It is being worked through at these meetings and will be presented and be very clear cut and thought out. **Mayor Kallander** stated that he would like to see that ultimate responsibility rest with someone on the City's staff because the first year or two will be important to the success of this project. **Sherman** responded that they have been focused on those exact issues. **Beedle** stated that the Pioneers have plans and it would be nice if someone would discuss those with them. **Sherman** responded that she has been in contact and she will check back to hear their plans.

14. Quarterly Reports – 3Q, 2011

Reggiani asked **Ashley Royal** about the sweep accounts \$2.7 million balance on 12/31/2010 and \$2.7 million balance on 8/31/2011. He recognizes that this is a snapshot but he feels that those amounts may be high for that account. He would guess that the account may be going backwards as interest rates are low and fees are high on sweep accounts. **Royal** responded that he has already made contact to talk to **Buck Adams** (UBS investments) about some of that for investment purposes. He agreed that the need to keep that much cash in that account has diminished over the past couple months. **Cheshier** asked **Greenwood** for an update on the Chugach lot proposal. **Greenwood** responded that they are looking to swap some land out at the shipyard fill in order to allow the City to have a continuous piece of land to develop. **Mayor Kallander** responded that they have been working on this for about a year. They don't want to sell the land but will look into other City lots for a land swap. This has slowed the Samson land deal too.

K. CORRESPONDENCE

15. Letter from Diane Wiese in re School's Facilities Use policy
16. Letter from State Assessor in re 2011 Full Value Determination
17. Letter from Patton of NVE in re "Scoop the Poop" demonstration project
18. Email from Senator Kookesh in re Coastal Management
19. New release from Senator Murkowski in re SRS reauthorization
20. Letter from NWQG in re School's Facilities Use policy
21. Letter from Henrichs of NVE requesting Sobriety donation

Mayor Kallander stated there needs to be a response to #17, he asked **Lynch** to write a letter asking them to identify locations and bring them to Council. **Lynch** pointed out that they are requesting the City fund the bags and labor needed to support the kiosks. **Greenwood** stated that they have received a grant and are looking to put up numerous kiosks and do have some locations identified. **Kacsh** pointed out that they have done this in the past but just put out kiosks not cans to collect. **Reggiani** suggested **Lynch** to look at this and bring it back with cost estimates. **Mayor Kallander** asked Council to give concurrence to support the Sobriety Celebration with a donation. Council gave concurrence for \$300 of support. **Reggiani** stated that he appreciates Senator Murkowski's efforts to reauthorize the SRS. **Mayor Kallander** agreed and stated that he would like to send her a thank you letter for her efforts.

L. ORDINANCES AND RESOLUTIONS - none

M. UNFINISHED BUSINESS

22. Impound Lot location/size

Lynch reiterated the points listed in the two memos included in the packet. He added that the Police Chief has stated that they have several vehicles that are tagged to be picked up and **Zamarron** is bringing a rollback truck into town next week. **Bradford** stated that he didn't realize that P&Z and staff had put so much time and energy into finding a spot and he is in favor to keep it where it is. **Cheshier** agreed. **Allison** stated that if they are going to use it than he is good with it.

23. School Board answers to Mayor's letter with questions

Mayor Kallander prefaced the answers with the fact that he had asked for this information with budget season being upon us and they seem to feel like they are in need of the extra money.

N. NEW & MISCELLANEOUS BUSINESS

24. City Manager Contract approval

M/Reggiani S/Kacsh to approve the City Managers contract as presented in the packet.

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

25. Planning & Zoning Commission Resolution in re Capital Improvements

Reggiani stated that this is a resolution from P&Z that highlights their capital improvements list. The list is in order of priority; this is an improvement list critical to the future well-being and economy of Cordova and the surrounding area. Their focus was on infrastructure. **Mayor Kallander** suggested they start permitting for the South Fill as he thinks it will be a lengthy process. **Bradford** asked if the Shelter Cove campground could be held off until after the fill has been moved for AIGCO. **Mayor Kallander** stated that P&R and P&Z should be included in developing quarry plans with AIGCO.

26. Pending Agenda and Calendar

Lynch will be in Anchorage November 3rd and 4th to meet with some granting agencies. AML is the second week in November. He may be taking some vacation time after the budget and before Christmas.

Kacsh will be in Anchorage the first week in November for the PIO (Public Information Officer) disaster response training

Mayor Kallander will be gone from the 12th of November to December 3rd.

November 18th 6-8pm Governmental board training.

O. AUDIENCE PARTICIPATION

Tom Bailer, 304 Orca Inlet Rd, stated that sewer, water, and garbage used to not be charged until the house was occupied (i.e. for new construction homes). He does not see the fairness of charging for water and sewer before its being used. He asked who is responsible to repair a water line. It used to be from the main to curb was City and the rest was up to the resident. It should be the City's responsibility to see that the hook up to the main City water line is done right. He would like Council look at that too. He added that chip sealing is great and thinks things are picking up all over. He stated that the City should publicize the accomplishments so people see what their money is accomplishing. He noticed in the Managers report mention of some training and he would like to see more training for the employees.

P. COUNCIL COMMENTS

27. Council Comments

Kacsh requested an executive session at the next meeting to discuss back sales tax. **Bradford** agreed with **Kacsh**.

Reggiani stated that to place a moratorium on land sales would paralyze the City. Half a dozen are in progress and would come to a screeching halt and that concerns him. He also stated he would like to invite MRV to present Phase II to Council.

Beedle stated that the dumpsters in the harbor are overflowing. Maybe they could get an extra dumpster somewhere for common use. He stated that he was reading some old newspapers that emphasized the damage the harbor has gone through since the 80's. He would like to see something to stop the damage and go ahead with the breakwater extension. He added that around the grade school looks really nice.

Q. EXECUTIVE SESSION

~~28. Cordova Center Financial Update~~ this was deemed unnecessary – no new information

29. Attorney advice regarding Spartan

M/Reggiani S/Bradford to enter into executive session to hear the attorney's advice regarding Spartan and the subjects which may be discussed are matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government.

Vote on motion: 6 yeas, 0 nays, 1 absent (van den Broek). Motion approved.

Council took a 5 minute recess before entering the executive session at 9:28 pm; Council entered into executive session at 9:35 pm; Council came out of executive session at 9:53 pm. They had given the City Attorney direction.

30. Discussion of Lots 1-4 Blk 42 Original Townsite

M/Reggiani S/Kacsh to enter into executive session to discuss Lots 1-4 Block 42 of the Original Townsite and subjects which may be discussed are matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government.

Vote on motion: 6 yeas, 0 nays, 1 absent (van den Broek). Motion approved.

Council entered into executive session at 9:53 pm; Council came out of executive session at 10:44 pm.

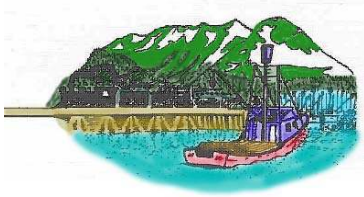
R. ADJOURNMENT

M/Reggiani S/Bradford to adjourn the regular meeting at 10:44 pm

Hearing no objection the meeting was adjourned.

Approved: November 2, 2011

Attest: _____
Robyn Kincaid, Deputy City Clerk



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574

Phone: (907) 424-6200
Fax: (907) 424-6000
Email:

citymanager@cityofcordova.net

CITY OF CORDOVA

Office of City Manager

October 26, 2011 Manager's Report (for 11/02/11 Council meeting)

Personnel issues: Have conducted telephone interviews with Fire Marshal candidates, and will be doing in-person interviews in November.

Union Contract: I am preparing for negotiations that are set to begin in November.

Budget & Fees: Per the budget schedule I plan to hand out a draft budget at the November 2 meeting, and I will have a draft fee schedule to hand out by our first budget worksession on November 15. This item has consumed the bulk of my time recently.

Hospital Contract: Continuing. I am currently reviewing a draft contract along with our legal counsel.

Recycling: Met with Copper River Watershed, NVE, & KIWI concerning recycling ideas in Cordova.

Sound Developer: Dale Muma and I sat in a teleconference with the Coast guard concerning the Sound Developer on November 26. Global Salvage & Diving has been awarded the contract for removal, and plan to begin work on November 14. They estimate 11 days to raise and move the boat to the mud flat north of the travel lift, and another 4-5 days to clean the boat of contaminants.

Science Center: Still working towards a solution that works well for them and the community. I met with their representative on November 26 to discuss permitting details.

Finalization of Mt. Eccles Project: Work on the Reno portion continues to remedy water leaks, and any other outstanding issues.

I am going to Anchorage on November 3-4, in advance of my trip to AML, to visit state and federal funding agencies to discuss possible grants, etc. for future capital projects.

AML, AMMA, November 7-11: I will be attending the AML and Alaska Municipal Managers conference in Fairbanks during this time.

CITY CLERK'S REPORT TO COUNCIL

November 02, 2011 Regular Council Meeting

Date of Report: October 26, 2011

Council/ Mayor Matters: completed post-10/19/11 regular meeting clean-up, printing, signing, scanning, advertising, distributing and posting on City website, minutes, ordinances, resolutions etc.; completed pre-11/02/11 regular meeting prep, compiling, writing, editing, minutes, resolutions, ordinances, other agenda items from different departments, attorney, manager, Mayor or Vice-Mayor and Council; post agendas and packets to City website

Property Tax Matters/ Deputy Clerk: we handled everyday responses to property tax requests from banks, mortgage companies, citizens, other departments; Robyn advertised the upcoming second half due date (Oct 31) **Robyn** entered updates made by the Assessors during their fall visit in preparation for 2012 tax roll

Records Requests: received a request for the recording of the last regular meeting – copied to CD; responded to request for a list of City Officials

Invoices: coded, approved & submitted regular department bills for payment to accounts payable; signed City payroll and accounts payable checks

Attorney Contact: conferred with Holly on ordinances, special elections, referendum petitions

Travel/ Training: November 18 (Friday night) there is a scheduled Council/City Board and Commission member training session from 6 – 8pm (the Foraker Group presenter has given the local government training at AML before – we are lucky to have this inexpensive opportunity)

General Office: coordinated all air, hotel, conference registrations for AML conference in November in Fairbanks (2 council members attending); attended staff meeting October 24, 2011; worked with Planner on two agenda items before you tonight – releasing lien and performance deeds of trust; helped write, print, scan, mail copious letters for Mayor – all in packet tonight

Other: continued work on Council and Clerk 2012 budgets – completed these and turned in to Ashley and Mark; corresponded via telephone and email with Whittier, Valdez and Bill Rolfzen with the State in re Shared Fisheries Business Tax – should have more to report at next Council meeting – Valdez and Whittier Council will discuss at their next meetings – on November 1 & 2; continue compiling letters of interest for vacancies on boards and commissions – Library Bd has 3 seats coming available; P&Z has 3 seats coming available and P&R has 1 seat – there have been 5 letters turned in and at least 2 phone calls with questions about how to submit a letter – these should be appointed at the Dec 7 meeting

MEMO

To: Cordova City Council
From: City Planner
Date: 10/27/2011
Re: Performance Deed of Trust Policy

PART I. BACKGROUND:

The City Manager and the City Planner have been asked by the Council to come up with a policy for both *when* to use Performance Deeds of Trust as well as *what type* of Performance Deed of Trust to use for different City land disposals. During the discussion by Council there seemed to be two main thought processes. The two were: 1) using the property “use” (i.e. commercial or residential) to determine the type of Performance Deed of Trust or 2) picking a Performance Deed of Trust type when the land disposal proposal is brought before the City Council (i.e. at the same time that the Council is picking one of the four methods of disposal).

As staff has been analyzing this issue, it has become apparent that there may be more than two types of Performance Deeds of Trust, so a list of types of Performance Deeds of Trust has been created. The list is as follows:

1. Using a “*Liquidated Damages*” clause – i.e. our old method
2. “*Foreclosing* on the Property” – i.e. the newer method we had recently used
3. Using “*no*” Performance Deed of Trust
4. “*Negotiating*” a Performance Deed of Trust with City Manager and Attorney

The two main criteria for determining the Performance Deed of Trust are discussed below.

Option 1 (property “use”) Commercial vs. Residential

Commercial uses would have the “*Foreclosing* on the Property” Deed of Trust where the property would go to auction while a residential use would have the using a “*Liquidated Damages*” clause Performance Deed of Trust. The other two options were not discussed by Council but it would seem that these could be applied to either type on a case by case basis.

An important step in this process would be to clearly define *commercial* and *residential*. This could be done by determining what zoning district the property is in and/or defining the building use and/or incorporating the definition that the State Fire Marshal uses for commercial and residential. The definitions for commercial and residential could be as follows:

Commercial Zoned districts all business, industrial and commercial zones; all residential housing that is 4-plex or larger; all buildings designed and built for commercial, business or industrial uses

Residential Zoned districts all residential zones (RR3, LDR, MDR), unrestricted zone and planned mobile home park zone; all dwellings or structures designed and built for people to live in and are 3-family dwellings or smaller.

Issues

The above definitions, would eliminate all rental properties that are tri-plexes or smaller from the “*Foreclosing* on the Property” Deed of Trust. These would not be considered commercial by the definition above. However, in some cases tri-plexes are, in fact, commercial properties – owned by investors.

Lots in a residential zone that are larger than 8,000 square feet could be subdivided into two lots; two houses could be built and then sold. It would be difficult to fit such a scenario into one of the definitions above. Albeit residentially zoned – the purchaser in this case was clearly involved in a business transaction – purchasing, subdividing and making a profit.

If Performance Deeds of Trust were assigned based on the definitions above and prior to a proposal being selected it would be difficult to differentiate commercial uses in residential areas. Possibly, selecting a Performance Deed of Trust contract after the proposal was returned would eliminate part of the issue.

There is not a clear way to define when the other two options for Performance Deeds of Trust would be used.

Option 2 (Picking a Type of Performance Deed of Trust)

The other thought process that was discussed is to have the type of Performance Deed of Trust assigned during the land disposal process much like how the method of selling (or not to sell) the land is done currently. Again the 4 types of Performance Deeds of Trust would be used:

1. Using a “*Liquidated Damages*” clause – i.e. our old method
2. “*Foreclosing* on the Property” – i.e. the newer method we had recently used
3. Using “*no*” Performance Deed of Trust
4. “*Negotiating*” a Performance Deed of Trust with City Manager and Attorney

This option would involve choosing the type of Performance Deed of Trust at the time that the recommendation from P&Z was brought the City Council.

In essence the Council would consider these options:

1. whether or not to sell the property
2. which method to use in disposal of the property
The four disposal methods are as follows:
 - Negotiate an agreement with the person who applied to lease or purchase the property;
 - Invite sealed bids to lease or purchase the property;
 - Offer the property for lease or purchase at public auction;
 - Request sealed proposals to lease or purchase the property
3. what type of contract will be used for this sale
 - Using a “*Liquidated Damages*” clause – i.e. our old method
 - “*Foreclosing* on the Property” – i.e. the newer method we had recently used
 - Using “*no*” Performance Deed of Trust
 - “*Negotiating*” a Performance Deed of Trust with City Manager and Attorney

This third step would be delayed if the proposal method was chosen in the step 2 above. Therefore, in that case (i.e. if “proposal” method was chosen) in order to assign the best contract type, the contract would be assigned **when** City Council **awards** the proposal.

PART II. CONCLUSION:

Staff feels that whether it is determined that this is a policy or whether it’s codified that option 2 is the cleanest and most efficient choice. Staff would like to have the preferred option reviewed by the city attorneys for legality.



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Anchorage Office

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www.ubs.com

October 24, 2011

City Council Members and Staff
City of Cordova, Alaska
602 Railroad Avenue
Cordova, Alaska 99574

Dear Council Members and Staff,

As of October 21, 2011 the City of Cordova has a total of **\$15,506,036** (including accrued interest), on deposit with UBS, distributed among six funded accounts. Four of these accounts are under active investment management, three of which are fixed income accounts managed by Sage Advisors and one Permanent Fund account invested in the Pace balanced mutual fund program. The assets under active management totaled **\$11,851,533** between these four referenced accounts as of October 21, 2011. The remaining two accounts, one for the Permanent Fund and one for the Central Treasury, are being utilized as cash management accounts with the assets deposited in money market funds.

In the second quarter report I was pleased to report a positive rate of return year to date. After almost unprecedented volatility beginning at the end of July and running through the first week of October, the managed portfolios are essentially flat for the year. The combined performance of the four managed accounts is a minus one tenth of one percent (.10%) year to date. None-the-less, since inception in late 2009, the managed portfolios have still provided an annualized net positive rate of return of 1.89% per year. (Please refer to attached reports)

The combination of the European debt crisis and the downgrade of the debt rating of US Treasuries by Standard & Poors, took the global equity, fixed income and commodity markets on a wild ride, with spikes in volatility rarely seen. Together, August and September were among two of the worst back to back months for equities, both domestic and international, on record. In response, the prices of high quality bonds, ironically including the recently downgraded US Treasuries, increased substantially during the August/September period, driving down bond yields as money fled the equity markets.

As volatility continued to expand throughout August, I recommended to Mr. Lynch, that we reallocate a portion of the pure domestic and international equity funds to the Virtus AlphaSector Premium fund (a new addition to the portfolio) and to the existing Putnam 700 Absolute Return fund. These funds have more flexibility in being defensive during highly volatile periods. Mr. Lynch concurred and we made the exchanges in August. Fortunately, the funds did substantially mitigate the volatility on the downside during the major sell-off in September. In the next meeting I attend I will be happy to describe the operation and methodology of these funds in more detail.

On October 4th the US equity market appeared to bottom out, at least for the interim and a sharp rally followed. The rally has extended now for several weeks, as the world equity markets expect that some solution for the European debt crisis will be developed. Only time will tell if this comes to pass. In the meantime, we are maintaining a cautious position and have positioned your investments accordingly.

I have attached two reports for your review. The first is an Executive Summary of all six funded accounts by asset allocation. The second is a Consolidated Portfolio Performance report for the four managed accounts, two in Central Treasury and two in the Permanent Fund.

I will be in New York on business on November 2nd. I have assured Mr. Lynch and Mr. Royal that I am available, regardless of the hour, for a conference call if there are questions or concerns. I hope to be invited to attend a council meeting in person prior to year-end.

As always, thank you for the opportunity to assist Cordova.

Sincerely,

Buck Adams, CFP®, CIMA®, ChFC®
Senior Vice President – Investments
Senior Managed Accounts Consultant.

Attached: October 21, 2011 Executive Summary
 October 21, 2011 Managed accounts performance reports



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Financial Advisor:
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9072615900
BUCK.ADAMS@UBS.COM

UBS Client Review

As of October 21, 2011

Prepared for

City of Cordova
Executive Summary
All Accounts

Accounts included in this review

Account	Name	Type
UC 03542	• CORDOVA	• MAC Wrap
UC 03543	• CORDOVA	• BSA
UC 03544	• CORDOVA	• BSA
UC 03546	• CORDOVA	• MAC Wrap
UC 04046	• CORDOVA	• MAC Wrap
UC 04047	• CORDOVA	• Pace Multi Advisor

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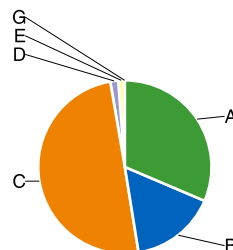
UC 03542 CORDOVA UC 04047 CORDOVA
 UC 03543 CORDOVA
 UC 03544 CORDOVA
 UC 03546 CORDOVA
 UC 04046 CORDOVA

Executive summary

as of October 21, 2011

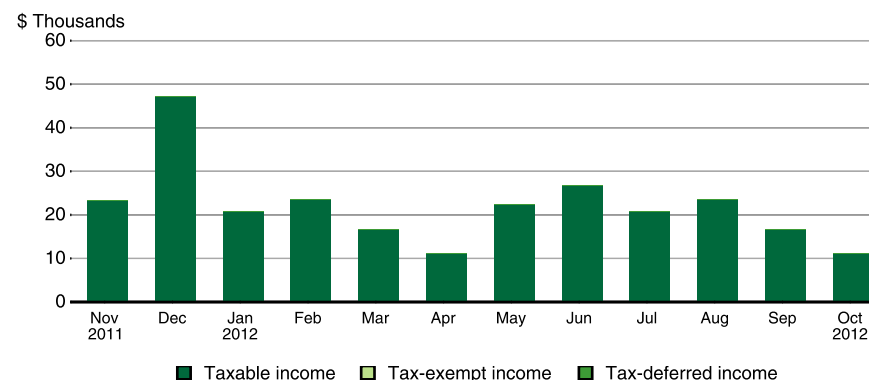
Asset allocation summary

	Value on Oct 21 (\$)	% of portfolio
A Cash and cash alternatives	4,868,819.10	31.40
B Equities	2,490,794.01	16.06
U.S. equity	1,850,286.86	11.93
Non U.S. equity	456,684.95	2.95
Global equity	183,822.20	1.19
C Fixed income	7,729,739.85	49.85
U.S. fixed income	7,136,601.97	46.02
Non U.S. fixed income	339,439.37	2.19
Global fixed income	253,698.51	1.64
D Alternative strategies	222,672.17	1.44
E Broad commodities	177,880.64	1.15
F Real estate	0.00	0.00
G Other	16,130.86	0.10
Total Portfolio	\$15,506,036.63	100%



Balanced mutual funds represented in multiple asset classes based on Morningstar allocations

Expected cash flow

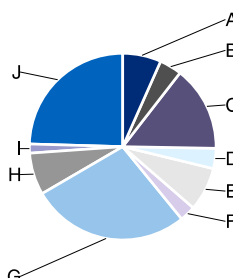


Total expected cash flow : \$263,791.26

Cash flows displayed account for known events such as maturities and mandatory puts.

Equity sector analysis

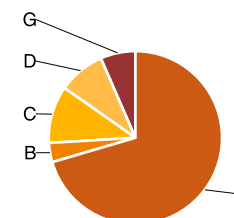
	Value on Oct 21 (\$)	% of equity
A Consumer discretionary	165,607.79	6.65
B Energy	96,122.33	3.86
C Finance	367,884.21	14.77
D Health care	87,451.42	3.51
E Industrials	188,695.72	7.58
F Materials	68,127.62	2.74
G Staples	684,837.54	27.49
H Technology	181,425.74	7.28
I Telecommunications	39,214.29	1.57
J Utilities	611,427.34	24.55
Total classified equity	\$2,490,794.01	100%



Balanced mutual funds represented in multiple asset classes based on Morningstar allocations

Credit quality of bond holdings

Insured credit rating	Issues	Value on Oct 21 (\$)	% of port.
A Aaa/AAA/AAA	35	4,732,992.12	70.45
B Aa/AA/AA	7	242,101.50	3.59
C A/A/A	25	722,894.32	10.69
D Baa/BBB/BBB	24	590,728.51	8.73
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	3	436,839.28	6.53
Total	94	\$6,725,555.72	100%





Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS Financial Services Inc. accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS Financial Services Inc. offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including comprehensive financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provide detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS Financial Services Inc. The accounts included in this report are listed under the "Accounts included in this review" shown on the cover page.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS Financial Services, Inc based on data supplied by the fund which may not be current.

Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS Financial Services Inc. nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Margin: The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to

\$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS Financial Services Inc. More information is available upon request.

Portfolio: Portfolio for purposes of this report is defined as all the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS Financial Services Inc.

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Fixed Income: Fixed income instruments are classified as short term if they have a maturity date less than or equal to 3 years and intermediate term if they have a maturity date between 3 to 10 years. Instruments with maturity dates longer than 10 years are classified as long-term instruments. Unclassified instruments are those for which no maturity date is available or applicable.

Bond: The term "Bond" refers to all fixed interest bearing securities issued by public and private entities where the issuer owes the holders interest and/or principal at a specified later date. This term does not include mutual funds. These securities are subject to market risk and interest rate risk. If sold in the secondary market prior to maturity, investors may experience a gain or loss depending on interest rates, market conditions and the credit quality of the issuer.

Insured/Underlying Rating: Where a rating does not exist for a particular agency, the report will display NR.

Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Equity: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Equity: This analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the



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potential cash flows. UBS Financial Services Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS Financial Services Inc. generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy. Mortgage-backed, asset-backed, factored, and other pass-through securities have dynamic cash flows which may vary from month to month.

Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Investment Grades: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

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Important information for former Piper Jaffray

clients: As an accommodation to former Piper Jaffray clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006, the date Piper Jaffray accounts were converted to UBS Financial Services. UBS Financial Services has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

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Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

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UBS Client Review

As of October 21, 2011

Prepared for

City of Cordova
Central Treas and Perm Fd
Active managed accounts only

Accounts included in this review

Account	Name	Type
UC 03542	• CORDOVA	• MAC Wrap
UC 03546	• CORDOVA	• MAC Wrap
UC 04046	• CORDOVA	• MAC Wrap
UC 04047	• CORDOVA	• Pace Multi Advisor

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UC 03542 CORDOVA
UC 03546 CORDOVA
UC 04046 CORDOVA
UC 04047 CORDOVA

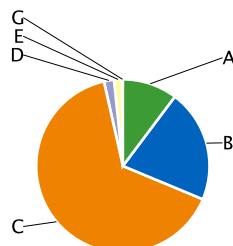
Executive summary

as of October 21, 2011

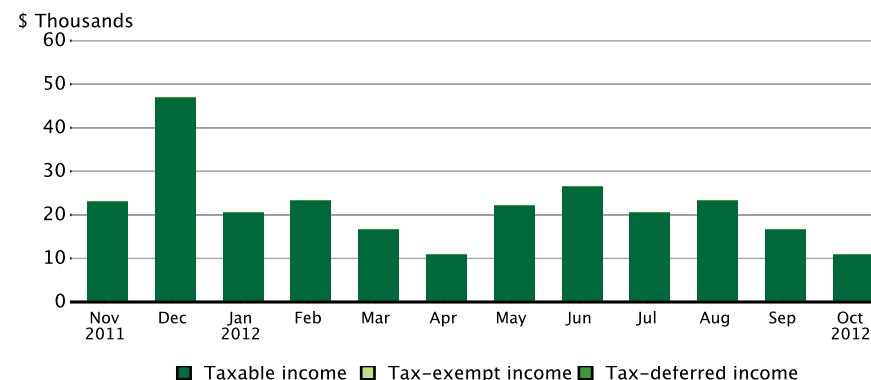
Asset allocation summary

	Value on Oct 21 (\$)	% of portfolio
A Cash and cash alternatives	1,214,316.26	10.25
B Equities	2,490,794.01	21.02
U.S. equity	1,850,286.86	15.61
Non U.S. equity	456,684.95	3.85
Global equity	183,822.20	1.55
C Fixed income	7,729,739.85	65.22
U.S. fixed income	7,136,601.97	60.22
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Global fixed income	253,698.51	2.14
D Alternative strategies	222,672.17	1.88
E Broad commodities	177,880.64	1.50
F Real estate	0.00	0.00
G Other	16,130.86	0.14
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Balanced mutual funds represented in multiple asset classes based on Morningstar allocations



Expected cash flow



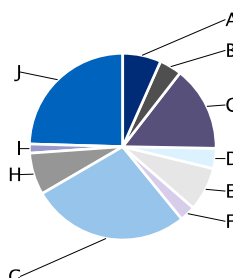
Total expected cash flow: \$261,101.34

Cash flows displayed account for known events such as maturities and mandatory puts.

Equity sector analysis

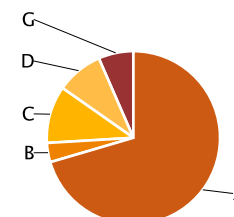
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Total classified equity	\$2,490,794.01	100%

Balanced mutual funds represented in multiple asset classes based on Morningstar allocations



Credit quality of bond holdings

Insured credit rating	Issues	Value on Oct 21 (\$)	% of port.
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G Not rated	3	436,839.28	6.53
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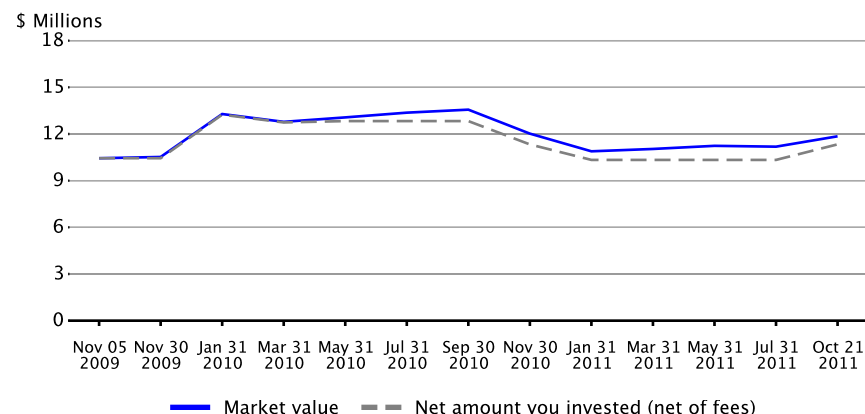


UC 03542 CORDOVA
UC 03546 CORDOVA
UC 04046 CORDOVA
UC 04047 CORDOVA

Performance review

as of October 21, 2011

Sources of portfolio value

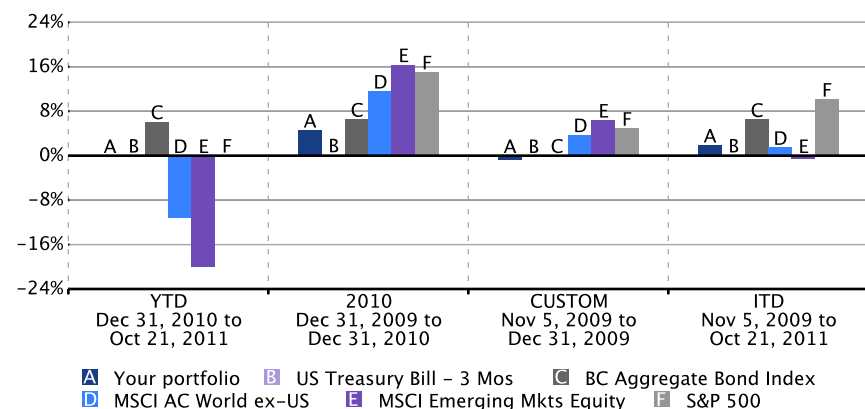


Portfolio value and investment returns

	Performance returns (annualized > 1 year)			
	YTD Dec 31, 2010 to Oct 21, 2011	2010 Dec 31, 2009 to Dec 31, 2010	For period of Nov 5, 2009 to Dec 31, 2009	ITD Nov 5, 2009 to Oct 21, 2011
Opening value	10,861,898.38	13,863,200.69	10,442,251.78	10,442,251.78
Net deposits/withdrawals	943,326.67	-3,660,908.47	3,493,751.82	776,170.02
Div./interest income	168,446.29	301,920.15	-21,772.49	448,593.95
Change in accr. interest	-3,849.41	-15,802.76	51,733.52	32,081.36
Change in market value	-118,288.15	373,488.77	-102,763.94	152,436.68
Closing value	11,851,533.79	10,861,898.38	13,863,200.69	11,851,533.79
Net Time-weighted ROR	-0.10	4.58	-0.71	1.89
Money-weighted ROR	-0.10	5.11	-1.24	2.54

Net deposits and withdrawals include program and account fees.

Portfolio and selected benchmark returns



Time weighted rates of return (net of fees)

	Performance returns (annualized > 1 year)			
	YTD Dec 31, 2010 to Oct 21, 2011	2010 Dec 31, 2009 to Dec 31, 2010	For period of Nov 5, 2009 to Dec 31, 2009	ITD Nov 5, 2009 to Oct 21, 2011
Your portfolio	-0.10%	4.58%	-0.71%	1.89%
Cash and Cash Alt				
US Treasury Bill - 3 Mos	0.07	0.13	0.00	0.10
Fixed Income				
BC Aggregate Bond Index	6.11	6.54	0.03	6.49
Equities				
MSCI AC World ex-US	-11.14	11.60	3.76	1.47
MSCI Emerging Mkts Equity	-20.09	16.36	6.38	-0.55
S&P 500	0.07	15.06	4.91	10.15

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: October 24, 2011



UC 03542 CORDOVA
UC 03546 CORDOVA
UC 04046 CORDOVA
UC 04047 CORDOVA

Performance by account

as of October 21, 2011

Summary of performance by account

					Performance returns (annualized > 1 year)				
					YTD	2010	For period of	ITD	
					Dec 31, 2010 to	Dec 31, 2009 to	Nov 5, 2009 to	Start date to	
					Oct 21, 2011	Dec 31, 2010	Dec 31, 2009	Oct 21, 2011	
		Performance start date	Value on Oct 21, 2011 (\$)	% of portfolio					
UC 03542	City of Cordova Central Treasury • MAC Wrap - SAGE INT	Nov 5, 2009	2,189,195.69	18.47%	Net time-weighted	4.51%	4.54%	-0.78%	4.20%
	Money-weighted				3.21%	4.61%	-0.81%	3.23%	
	Risk profile: Conservative								
	Return objective: Current Income								
UC 03546	City of Cordova Permanent Fund • MAC Wrap - SAGE INT	Nov 5, 2009	2,849,492.02	24.04%	Net time-weighted	3.20%	4.78%	-0.66%	3.74%
	Money-weighted				3.20%	4.76%	-0.68%	3.99%	
	Risk profile: Conservative								
	Return objective: Current Income								
UC 04046	City of Cordova Central Treasury • MAC Wrap - SAGE INT	Feb 8, 2011	2,778,329.63	23.44%	Net time-weighted	N/A	N/A	N/A	4.59%
	Money-weighted				N/A	N/A	N/A	4.57%	
	Risk profile: Moderate								
	Return objective: Current Income and Capital Appreciation								
UC 04047	City of Cordova Permanent Fund • Pace Multi Advisor	Dec 23, 2010	4,034,516.45	34.04%	Net time-weighted	-5.88%	N/A	N/A	-5.51%
	Money-weighted				-5.88%	N/A	N/A	-5.51%	
	Risk profile: Aggressive/Speculative								
	Return objective: Capital Appreciation								
Total Portfolio		Nov 5, 2009	\$11,851,533.79	100%	Net time-weighted	-0.10%	4.58%	-0.71%	1.89%
					Money-weighted	-0.10%	5.11%	-1.24%	2.54%

Benchmarks - Time-weighted returns

Cash and Cash Alt

US Treasury Bill - 3 Mos	0.07 %	0.13 %	0.00 %	0.10 %
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Fixed Income

BC Aggregate Bond Index	6.11 %	6.54 %	0.03 %	6.49 %
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Equities

MSCI AC World ex-US	-11.14 %	11.60 %	3.76 %	1.47 %
MSCI Emerging Mkts Equity	-20.09 %	16.36 %	6.38 %	-0.55 %
S&P 500	0.07 %	15.06 %	4.91 %	10.15 %

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: October 24, 2011

Performance by account - as of October 21, 2011 (continued)

Details of performance by account

Year to Date - Dec 31, 2010 to Oct 21, 2011

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in market value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)	
								Net time- weighted returns	Money- weighted returns
UC 03542	3,814,361.80	-1,708,228.46	34,085.09	-5,280.66	54,257.91	2,189,195.69	18.47%	4.51%	3.21%
UC 03546	2,761,056.11	-18,302.83	58,362.66	1,034.44	47,341.63	2,849,492.02	24.04%	3.20%	3.20%
UC 04046		2,696,144.30	28,436.42	396.81	53,352.11	2,778,329.63	23.44%	N/A	N/A
UC 04047	4,286,480.47	-26,286.34	47,562.12	0.00	-273,239.81	4,034,516.45	34.04%	-5.88%	-5.88%
Total Portfolio	\$10,861,898.38	\$943,326.67	\$168,446.29	\$-3,849.41	\$-118,288.15	\$11,851,533.79	100%	-0.10%	-0.10%

2010 - Dec 31, 2009 to Dec 31, 2010

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in market value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)	
								Net time- weighted returns	Money- weighted returns
UC 03542	5,793,498.98	-2,215,632.81	117,757.57	-10,103.17	128,841.23	3,814,361.80	35.12%	4.54%	4.61%
UC 03546	8,069,701.71	-5,714,433.35	174,059.52	-5,699.59	237,427.82	2,761,056.11	25.42%	4.78%	4.76%
UC 04046								N/A	N/A
UC 04047		4,269,157.69	10,103.06	0.00	7,219.72	4,286,480.47	39.46%	N/A	N/A
Total Portfolio	\$13,863,200.69	\$-3,660,908.47	\$301,920.15	\$-15,802.76	\$373,488.77	\$10,861,898.38	100%	4.58%	5.11%

For period of - Nov 5, 2009 to Dec 31, 2009

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in market value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)	
								Net time- weighted returns	Money- weighted returns
UC 03542	5,947,360.08	-109,516.64	-9,759.86	28,568.47	-63,153.07	5,793,498.98	41.79%	-0.78%	-0.81%
UC 03546	4,494,891.70	3,603,268.46	-12,012.63	23,165.05	-39,610.87	8,069,701.71	58.21%	-0.66%	-0.68%
UC 04046								N/A	N/A

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Report created on: October 24, 2011

UC 03542 CORDOVA
UC 03546 CORDOVA
UC 04046 CORDOVA
UC 04047 CORDOVA

Performance by account - as of October 21, 2011 (continued)

For period of - Nov 5, 2009 to Dec 31, 2009

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in market value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)	
								Net time- weighted returns	Money- weighted returns
UC 04047								N/A	N/A
Total Portfolio	\$10,442,251.78	\$3,493,751.82	\$-21,772.49	\$51,733.52	\$-102,763.94	\$13,863,200.69	100%	-0.71%	-1.24%

Since Inception - Start date to Oct 21, 2011

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in market value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)	
								Net time- weighted returns	Money- weighted returns
UC 03542 Nov 5, 2009	5,947,360.08	-4,033,377.91	142,082.80	13,184.65	119,946.07	2,189,195.69	18.47%	4.20%	3.23%
UC 03546 Nov 5, 2009	4,494,891.70	-2,129,467.72	220,409.55	18,499.90	245,158.59	2,849,492.02	24.04%	3.74%	3.99%
UC 04046 Feb 8, 2011	1,665,442.71	1,030,701.59	28,436.42	396.81	53,352.11	2,778,329.63	23.44%	4.59%	4.57%
UC 04047 Dec 23, 2010	4,269,999.99	-27,128.64	57,665.18	0.00	-266,020.09	4,034,516.45	34.04%	-5.51%	-5.51%
Total Portfolio Nov 5, 2009	\$10,442,251.78	\$776,170.02	\$448,593.95	\$32,081.36	\$152,436.68	\$11,851,533.79	100%	1.89%	2.54%

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Report created on: October 24, 2011



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS Financial Services Inc. accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

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Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS Financial Services Inc. The accounts included in this report are listed under the "Accounts included in this review" shown on the cover page.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS Financial Services, Inc based on data supplied by the fund which may not be current.

Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS Financial Services Inc. nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Margin: The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to

\$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS Financial Services Inc. More information is available upon request.

Portfolio: Portfolio for purposes of this report is defined as all the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS Financial Services Inc.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS Financial Services Inc. cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS Financial Services Inc. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Fixed Income: Fixed income instruments are classified as short term if they have a maturity date less than or equal to 3 years and intermediate term if they have a maturity date between 3 to 10 years. Instruments with maturity dates longer than 10 years are classified as long-term instruments. Unclassified instruments are those for which no maturity date is available or applicable.

Bond: The term "Bond" refers to all fixed interest bearing securities issued by public and private entities where the issuer owes the holders interest and/or principal at a specified later date. This term does not include mutual funds. These securities are subject to market risk and interest rate risk. If sold in the secondary market prior to maturity, investors may experience a gain or loss depending on interest rates, market conditions and the credit quality of the issuer.

Insured/Underlying Rating: Where a rating does not exist for a particular agency, the report will display NR.

Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Equity: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Equity: This analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

potential cash flows, UBS Financial Services Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS Financial Services Inc. generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy. Mortgage-backed, asset-backed, factored, and other pass-through securities have dynamic cash flows which may vary from month to month.

Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Investment Grades: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Gain/Loss reporting for Puerto Rico Income Tax

Purposes: Gain/(Loss) reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received gain/(loss) reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Pursuant to the Puerto Rico Internal Revenue Code (PRIIRC) long-term capital gains are derived from the sale or exchange of capital assets held longer than six (6) months. For the purposes of this report only, long term gains and losses are represented by assets held for a period of more than six (6) months. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers for purposes other than determining realized gain/loss for

Puerto Rico income tax purposes. Neither UBS Financial Services Inc. nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS Financial Services Inc. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Indexing: For comparison purposes we have used up to five general broad market indices. These indices were selected to demonstrate the performance of broad market indicators that are readily recognized rather than for direct performance comparisons against the accounts listed. Depending on the composition of your portfolio and your investment objectives, these indices may not be an appropriate measure for comparison purposes and as such, are presented for illustration only. Generally, these indices, such as the S&P 500 index, assume no management, custody, transaction or other expenses, and assume reinvestment of dividends and capital gains. As a consequence, performance of selected indices may be more or less volatile than any accounts used in this report. The past performance of the indices is not a guarantee of future results. Represented in this report are: U.S. Treasury Bill (USTB) - which represents the 3 month return for Treasury Bills issued by the United States Government; the Barclays Capital Aggregate Bond Index (LBAG) - which is composed of securities from Barclays Capital government/corporate bond index, mortgage-backed securities index, and the asset-backed securities index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. This index is rebalanced monthly by market capitalization; the S&P 500 (SP500) index - which covers 500 industrial, utility, transportation, and financial companies of the U.S. markets (mostly NYSE issues). The index represents about 75% of NYSE market capitalization and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total

return basis without dividends reinvested. If benchmark information is not available at the time this report was run, NA will be displayed. We reserve the right to substitute indices or display only those indices for which current updated information is available in order to ensure the accuracy and completeness of these reports.

MSCI AC World ex-US: The MSCI ACW (All Country World) ex US Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US.

MSCI Emerging Mkts Equity: The EMF index includes only those countries open to non-local investors. The following countries are covered: Argentina, Jordan, Portugal, Brazil, Korea, Sri Lanka, Chile, Malaysia, Thailand, Colombia, Mexico (Free), Turkey, Greece, Pakistan, Venezuela, India, Peru, Indonesia and Philippines. MSCI calculates two Mexico indices: Mexico relevant to local investors and Mexico (free) which includes only those securities that are open to foreigners. Mexico (free) is used in the EMF index. At this time, Philippines (free) is the only Philippines index MSCI calculates. It is used in the EMF index because it includes shares available to foreigners. All indices are currently calculated price only without dividends reinvested.

Index Volatility: Performance of certain indices may be presented in comparison to account information. Generally, these indices, such as the S&P 500 Index, assume no management, custody, transaction or other expenses, and assume reinvestment of dividends and capital gains. In addition, these indices may have been selected to demonstrate the performance of broad market indicators that are readily recognized rather than for direct performance comparisons against the accounts shown on the report. As a consequence, performance of selected indices may be more or less volatile than any account or accounts and comparative value may be minimal. The use of any market index (such as the S&P 500) in this report is intended for illustrative purposes only as a general reference to a broad market, and not as an accurate performance comparison. Certain accounts consolidated on this report may have separate performance monitors designed to accurately reflect performance.

Annualized Performance: All performance periods greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

Fees: Fees represented in this report include program

and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Performance: This report presents accounts activity and performance starting December 31, 2002. For accounts opened prior to 12/31/02, this report does not include the complete accounts activity or performance of your accounts prior to that date. Information for accounts opened after 12/31/02 is reported as of the month end date of the first month of activity in the accounts. For consolidated reports the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Net Deposits/Withdrawals: When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

last day of the period. When fees are shown separately, net deposits / withdrawals does not include program fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS Financial Services Inc. price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement.

Dividends/Interest: Dividend and interest earned, when shown on a report, this information does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Accruals: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in market value (Investment appreciation/depreciation): Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

Market Value: When shown on a report, represents the total value at the end of the performance period minus total security value at the beginning of the performance period.

Time-weighted Returns: This report displays a time weighted rate of return, a methodology that calculates a portfolio's return by linking equal-weighted monthly returns together. The monthly return is calculated using the Modified Dietz formula. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal by the amount of time invested.

Money-weighted Returns: Money-weighted return is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the rate of return that will set the present values of all cash flows and terminal values equal to the value of all cash flows and terminal values equal to the value of the initial investment. Money-weighted rate of return incorporates the size and timing of cash flows, so it is an effective measure for returns on a portfolio.

Net of Fees: The information is shown net of fees and

commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, performance information would reflect deduction of those fees. Please see your program documents regarding fee schedules.

Net of Fees and Gross of Fees Returns: Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Performance Start Date Changes: The Performance Start Date for accounts marked with a '*' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS Financial Services Inc. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS Financial Services Inc. recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Accounts: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Important information for former Piper Jaffray clients: As an accommodation to former Piper Jaffray clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006, the date Piper Jaffray accounts were converted to UBS Financial Services. UBS Financial Services has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

Important information for former McDonald Investments clients: As an accommodation to former McDonald Investments clients, these reports include performance history for their McDonald Investments accounts prior to February 9, 2007, the date McDonald Investments accounts were converted to UBS Financial Services. UBS Financial Services has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS Financial Services, Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services, Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that

are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

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Member SIPC.

Tim Joyce
P.O. Box 555
Cordova, AK
99574

Mayor Jim Kallander
P.O. Box 1210
Cordova, AK
99574

October 18, 2011

Your Honorable Mayor Kallander:

I am writing you to warn the City of Cordova about the potential pitfalls that now face the city in regards to property sales that are now pending and any future sales. As you are aware, MaryAnn Bishop has started a referendum petition and is collecting signatures to bring Ordinance 1088, An Ordinance of the City of Cordova, Alaska authorizing the conveyance to Interstate Gas Company of approximately 4 acres located in ATS 1004 to a vote of the people of Cordova. If this referendum petition is filed it will immediately throw into question any pending or future land sales or transfers made by the city. This petition as written implies that city land sales in general are not being conducted in a way that is the will of the people of Cordova. As a result of this petition, if filed, the city would have to re-examine how land sales are conducted and could be challenged through legal action by AIG CO if additional land sales are made while this action is pending. This land sale matter must be resolved before any additional land sales can be made. I submit to the City Council that a moratorium be placed on land sales similar to the moratorium placed on land sales when the new land sale process was put into place several years ago. To do otherwise would break previous precedent and make for an even stronger case for a grievant.

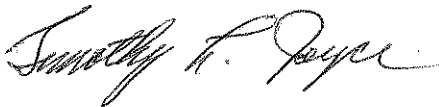
I submit to you that the petition uses Ordinance 1088 as the tool to stop the Cordova City Council from selling land as is now currently being conducted. Any land sold, particularly tidal fill land, between now and the resolution of this issue, which could be as late as the next city election in March of 2012, would be subject to being rejected and the city sued for damages by the buyers of that land if the petition is filed and passed. As a tax payer, I will protest any pending or future land sale because of that potential liability.

I know of several land sales that are pending, including a tidal fill land sale to the Prince William Sound Science Center. This petition for a referendum started over just such a land sale. To proceed with another tidal fill land sale while a similar land sale is being referred to the people for a vote flies in the face of prudence and justice. Common sense would indicate that if the petition is filed the question of such land sales will be decided by the people of Cordova. If the City Council proceeds with another land sale of exactly the same nature prior to that resolution the city will invite a law suit from the discriminated parties. How many tax payer dollars would then be spent on defending the city and how many more dollars would be spent when the city loses? I submit to you and the city council would be negligent if following the oath that you took when you were sworn into your position if you allow further land sales until this issue is resolved.

It is unfortunate that several people in this community do not believe in representative government. If they disapprove of the way the City Council is doing business then the proper process is to vote out those council members that fail to meet their expectations. The right to refer ordinances to a vote is guaranteed under the City Charter and the state constitution. However, these rights were not put into place to be abused by the minority to bring city government to a standstill and cause economic harm. The current land sale policy was adopted by ordinance after almost two years of debate and legal opinion. For one individual to want to reject those ordinances now simply because the land which is zoned industrial would be filled and used in accordance to the zoning is a terrible abuse of the system. I also recommend that the city look into providing guidance to future referendums so that such abuse is not allowed.

I sincerely hope that you as the representative head of the city government take the actions needed to keep the city from a legal nightmare and stop all pending and future land sales until such time that the petition is not filed or until it is disposed of in a city election.

Respectfully,

A handwritten signature in cursive script, appearing to read "Timothy R. Joyce".

Tim Joyce
Former Cordova City Mayor

October 18, 2011

Susan Bourgeois
City Clerk
City of Cordova
P.O. Box 1210
Cordova, Alaska 99574

RE: Water pipe repair bill and request to be put on City Council Docket for next council meeting.

Dear Susan:

I received a bill in the amount of \$2,223.13, from the City Public Works Department, charging me for the City repairing a broken water pipe way up the street from my house. The broken pipe was located on Third Street between Lake Avenue and the grade school. I do not believe that I should be responsible for paying for this water line repair. I have paid the bill under protest because the City threatened to turn off the water to my home if I did not, but I expect the city to reimburse me in full for this payment in a very timely fashion.

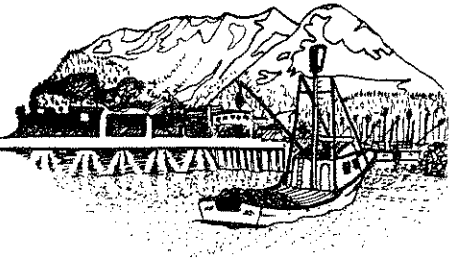
I am being discriminated against because I live in an area of town that the City has not installed water turn on/off valves abutting my property. I expect the city to install one of these valves on, or near, my property line in the near future just like the City has done for many of the other homes in Cordova. I also expect the City to provide a main water line down Third Street that I can tap into. The City recently chip sealed Third Street just before the leak occurred and had a lot of heavy machinery running up and down the street over the summer while remodeling the grade school. This wear and tear by heavily loaded dump trucks and the chip seal pounding probably damaged or in the very least increased the speed of deterioration of the water line. This is just one more reason the City should pay to fix the water line.

Please provide this letter to all the members of the City Council and please put this on the agenda for the next meeting. I am currently in Southeast crabbing but will be home soon and look forward to discussing this issue, getting my payment refunded and getting a water valve and new water main line put in front of my home.

Thank you,

Joe Arvidson
P.O. Box 1696
Cordova, AK 99574

CITY OF CORDOVA



October 19, 2011

Honorable Sean Parnell
Governor of Alaska
PO Box 110001
Juneau, AK 99811-0001

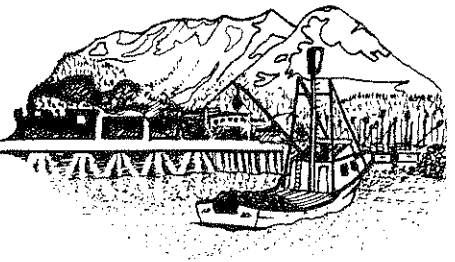
Dear Governor Parnell:

I am writing to let you know how appreciative I am that you were able to take the time to meet with me on October 4 while I was in Juneau. You were gracious to listen to Cordova's concerns about funding for repairs to our aging hospital building as well as our PERS concerns as the hospital management changes into private hands. I was fortunate to also meet with Karen Rehfeld, Mike Barnhill and Bill Streur and in each meeting I was given the utmost respect. Your staff members were knowledgeable and willing to offer suggestions to assist in solving some of Cordova's concerns. I hope that you will visit Cordova in the near future and I wish you the best in the coming year.

Best regards,

Jim Kallander
Mayor, City of Cordova

CITY OF CORDOVA



October 19, 2011

Deputy Commissioner Mike Barnhill
State of AK Department of Administration
PO Box 110200
Juneau, Alaska 99811

Dear Deputy Commissioner Barnhill:

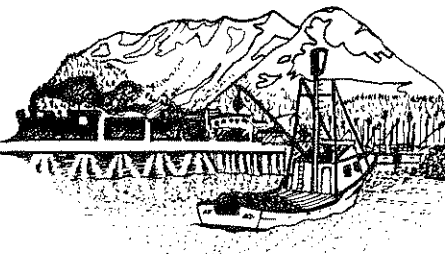
I am writing to let you know how appreciative I am that you were able to take the time to meet with me on October 4 while I was in Juneau. It was advantageous for me to gain a perspective on the PERS issue that the state is facing. You seemed understanding and knowledgeable of the issues that we are dealing with at the Municipal level as well. I remain confident that an amiable solution exists and in your efforts to attain that. I hope you will visit Cordova in the near future and wish you the best in the coming year.

Respectfully,

A handwritten signature in black ink, appearing to read 'Jim Kallander'.

Jim Kallander, Mayor
City of Cordova

CITY OF CORDOVA



October 19, 2011

Director Karen Rehfeld
Office of Management and Budget
PO Box 110020
Juneau, Alaska 99811

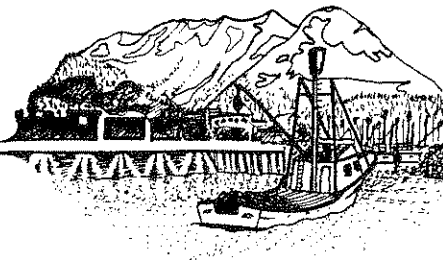
Dear Director Rehfeld:

I am writing to let you know how appreciative I am that you were able to take the time to meet with me on October 4 while I was in Juneau. You were patient and helpful in listening to Cordova's concerns about funding for repairs to our aging hospital. As usual you were accommodating and graciously explained the budget process. I hope you will visit Cordova in the near future and wish you the best in the coming year.

Respectfully,

Jim Kallander, Mayor
City of Cordova

CITY OF CORDOVA



October 19, 2011

Commissioner Bill Streur
State of AK Department of Health and Social Services
PO Box 110601
Juneau, Alaska 99811

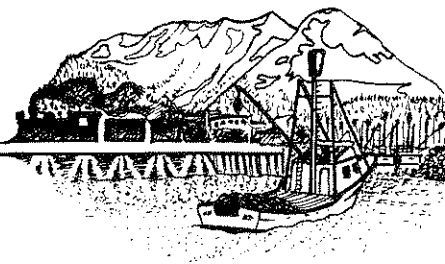
Dear Commissioner Streur:

I am writing to let you know how appreciative I am that you were able to take the time to meet with me on October 13 while I was in Anchorage. I was impressed by your knowledge of Cordova health care. I greatly appreciate your support concerning Cordova's need for funding for hospital repairs and Electronic Medical Records implementation. I will be travelling during the annual sobriety celebration in Cordova so I will be sorry to miss seeing you again. I will do my best to keep you informed on the progress with Providence and hope to speak with you again in the future.

Respectfully,

Jim Kallander, Mayor
City of Cordova

CITY OF CORDOVA



October 19, 2011

Erik Elam
Office of Congressman Don Young
2314 Rayburn House Office Building
Washington, DC 20515

Dear Erik,

The City of Cordova and I thank you immensely for your kindness and determination in helping our cause in Washington, DC. Your effort has been described as relentless and dogged and it is truly appreciated in this small and faraway place called Cordova. The Exxon Valdez Oil Spill Trustee Council's large funding award is integral to the ongoing construction of the Cordova Center – soon to be our town's crowning jewel. Your hard work helped us secure the funds that had been tied up for unforeseen reasons at the Washington, DC level. Congressman Young is smart to have surrounded himself with staff members of your caliber. I am forever grateful and hope to give you a tour of our beautiful town and the new building after its completion. Please do try to come and visit Cordova anytime.

Respectfully,

Jim Kallander, Mayor
City of Cordova



U.S. Department of Justice

Civil Rights Division

Office of the Assistant Attorney General

Washington, D.C. 20530

OCT 11 2011

Mr. Michael D. White, Esq.
Patton Boggs
601 West Fifth Avenue, Suite 700
Anchorage, Alaska 99501

Dear Mr. White:

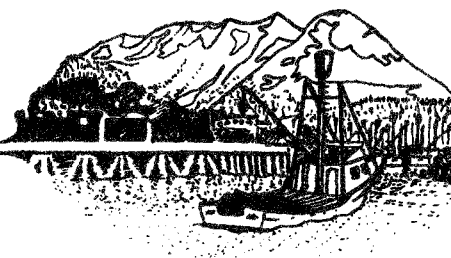
This refers to the 2011 House of Representatives and Senate redistricting plans, the truncated terms of office for nine Senate seats, and the implementation of the Senate schedule for the State of Alaska, submitted to the Attorney General pursuant to Section 5 of the Voting Rights Act of 1965, 42 U.S.C. 1973c. We received your submission on August 9, 2011; additional information was received through September 8, 2011.

The Attorney General does not interpose any objection to the specified changes. However, we note that Section 5 expressly provides that the failure of the Attorney General to object does not bar subsequent litigation to enjoin the enforcement of the changes. Procedures for the Administration of Section 5 of the Voting Rights Act of 1965, 28 C.F.R. 51.41.

Sincerely,

Thomas E. Perez
Assistant Attorney General

CITY OF CORDOVA



October 21, 2011

Senator Lisa Murkowski
709 Hart Senate Building
Washington, DC 20510

Dear Senator Murkowski:

It is with great appreciation that I write this letter to you on behalf of our City Council as well as the citizens of Cordova. The Secure Rural Schools program has been instrumental in helping our small town offer such wonderful academic opportunities to our children. The "Timber Receipts" that Cordova has been fortunate enough to receive has covered more than half of the local school funding over these past few years. I am sure you are aware of how difficult it is to maintain school populations let alone grow those populations in small, rural Alaskan towns where the cost of living is double or triple that of elsewhere in the lower forty-eight states. Our only opportunity to keep families from moving away has been to keep property taxes low to offset the high fuel, electricity and grocery costs. Historically, property taxes funded our schools. However, the onset of the Secure Rural Schools program has allowed the City of Cordova to lower property tax rates knowing that education would still be fully funded.

Like many Alaskan communities, Cordova is surrounded by federally owned National Forest Service land. Idyllic and beautiful as such a setting can be it unfortunately comes at a cost. There is little land available to develop and encourage new business or the expansion of existing businesses. Consequently, the economy is hindered and the influx of new families (with children) is stifled. It is a vicious cycle. Our school populations decline and it becomes cost-prohibitive to fund to previous levels. The harvesting of timber was a pleasant addition to the Cordova economy many years ago and with that industry almost at a standstill, your understanding of a community's need for assistance until an alternate industry can take its place is both insightful and greatly appreciated.

Cordova cannot thank you enough for co-sponsoring a bill that will re-authorize the Secure Rural Schools program. It is essential to the future of Cordova. Our future is looking up as we attempt to diversify our economy and encourage new and different industries; a program like Secure Rural Schools is exactly the impetus needed to spur us on to the future.

Sincerely,

Jim Kallander, Mayor
City of Cordova

cc: Senator Mark Begich
Congressman Don Young

From: John Bitney
Date: October 25, 2011 12:32:58 PM AKDT
To: Jim Kallander
Cc: David Reggiani
Subject: Redistricting lawsuits

Jim

I have written this email in a formal tone in case you want to share it with others (EG city attorney, etc.).

The city of Petersburg received approval from the judge to withdraw the majority of their lawsuit. They are still filing a complaint about compactness of the district, but all other complaints are withdrawn. The Fairbanks NS Borough has filed a motion to be allowed to also withdraw their lawsuit. Approval from the judge is anticipated for either later this week or next week.

The only lawsuit pending is the case filed by Fairbanks attorney Mike Walleri on behalf of two private citizens. Walleri has been involved in past redistricting lawsuits, but it is fair to say that his case is diminished with the absence of the resources and profile of a municipal government speaking up on behalf of an entire community.

In short - the plan adopted by the Redistricting Board to combine Cordova, Yakutat, and Kodiak is starting to look pretty solid.

That said...the remaining litigants (IE Walleri) in the case have filed a "Demonstration Plan" with the court to completely change the plan adopted by the Redistricting Board. Under their scenario, Cordova is in a district with Whittier, Portage, Girdwood, and South Anchorage. Their argument is that this is both compliant with requirements under the federal Voting Rights Act and the state constitution.

Attorney for the Redistricting Board, Michael White, asked if the Mayor of Cordova or someone who represents the community would be willing to be a witness in the trial. The purpose would be to offer testimony that the litigants plan is simply shifting one area's problem to another.

Litigation is scheduled for the week of January 9 in Fairbanks. Mr. White offered to schedule a conversation with the Mayor and/or interested people from Cordova to explain the case.

My recommendation is to schedule the conversation with Mr. White within the next 2 - 3 weeks.

John



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6200
Fax: (907) 424-6000
Email: citymanager@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of City Manager

October 26, 2011

Memo to City Council
Re: Ordinance 1090

At the last City Council meeting there was discussion concerning the fees charged for use of City owned buildings, particularly those used by the school district. I was asked by the Mayor to produce a proposed Ordinance to place all fees on City owned buildings, including the school buildings, on the City Fee Schedule. The attached Ordinance (1090) will place all such fees on the City's Fee Schedule.

Thank you,

Mark Lynch
City Manager

**CITY OF CORDOVA, ALASKA
ORDINANCE 1090**

**AN ORDINANCE OF THE CITY OF CORDOVA, ALASKA, AMENDING CORDOVA
MUNICIPAL CODE CHAPTER 3.32 TO ENACT SECTION 3.32.030 AUTHORIZING
THE CITY COUNCIL TO CHARGE FEES FOR THE USE OF ALL PUBLIC WORKS**

WHEREAS, City of Cordova (“City”) buildings are often used for recreational and entertainment purposes; and

WHEREAS, the City wants to encourage such uses but also recognizes that these uses lead to wear and tear on public buildings and facilities beyond the wear and tear associated with use of the buildings and facilities for their primary purposes; and

WHEREAS, it is in the City’s best interest to charge fees for use of City public works, including buildings and facilities, to assist in the maintenance and repair of such facilities and buildings;

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

Section 1: Cordova Municipal Code Chapter 3.32 is amended to add Section 3.32.030 to read as follows:

3.32.030 Fees for Use of Public Works

The City Council has sole authority to establish and implement fees for the use of property, facilities, and/or equipment owned by the City unless the Council specifically delegates that authority to another entity via resolution. Fees shall be included in annual City Fee Schedule as adopted by City Council.

Section 2. This ordinance shall be effective thirty (30) days after its passage and publication. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska, and published in a newspaper of general circulation in the City, within ten (10) days after its passage.

1st reading: November 2, 2011

2nd reading and public hearing: November 16, 2011

PASSED AND APPROVED THIS 16th DAY OF NOVEMBER, 2011.

Jim Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk

MEMO

To: City Council
From: Planning Department
Date: 10/27/2011
Re: Release of lien(s)

PART I. BACKGROUND:

In 2005 Lots 1-4, Block 42 Original Townsite were obtained by the City to partially pay off the debt of the land owner. In 1992 the City had placed two sales tax liens, one lien on the property that the City has since received and one lien on personal belongings of the business located at Lot 14, block 7, USS 449 that the person owned. This person has since passed away the liens need to be removed and written off the City books.

PART II. STAFF RECOMMENDATION:

In order for the City to sell the property the title needs to be cleared of these liens. The staff recommends that the City Council vote to remove the two liens to clear the title for Lots 1-4, Block 42 Original Townsite and to remove the lien of personal belongings on Lot 14, Block 7 USS 449.

PART III. SUGGESTED MOTION:

“I move to remove City sales tax liens from Lots 1-4 Block 42 and the sales tax lien on personal property located at Lot 14, Block 7 USS 449.”

Memorandum

To: City Council
Thru: Samantha Greenwood, City Planner
Date: October 12, 2011
Re: Requests for purchase of lots
Lots 6, Block 2, South Fill Development Park

PART I. GENERAL INFORMATION:

File No.: 02-473-140
Address & Survey: 127 Harbor Loop Road, South Fill Development Park, Lot 6, Block 2
Zoning: Waterfront Commercial Park
Requested Action: Purchase from City for not less than fair market value
Zoning: Waterfront Commercial

PART II. BACKGROUND:

The City has received a letter from an interested buyer for Lot 6 Block 2 South Fill Development Park. This property is zoned waterfront commercial and the lot is 12,900 square feet.

This lot is located in the South Fill Development Park (see map) and is zoned waterfront commercial. This lot was not used this summer for boat trailer parking; it has been used in the past for this. There are no structures on the lot. This lot is shown on the 2007 Land Disposal Committee maps as available for sale.

Planning and Zoning met on October 11, 2011 to discuss a recommendation to City Council on the disposal of Lot 6 Block 2 South Fill Development Park.

Planning Commission

At the Planning Commission hearing a Motion was made to dispose of Disposal of Lot 6, Block 2, South Fill Development Park

**M/Reggiani S/Padawer “I move that the Planning Commission recommend to City Council to dispose of Lot 6, Block 2, South Fill Development Park.
Upon voice vote, motion passed 6-0**

PART III. REVIEW OF APPLICABLE CODE:

5.22.060 - Methods of disposal for fair market value.

- A. In approving a disposal of an interest in city real property for fair market value, the council shall select the method by which the city manager will conduct the disposal from among the following:
 - 1. Negotiate an agreement with the person who applied to lease or purchase the property;
 - 2. Invite sealed bids to lease or purchase the property;
 - 3. Offer the property for lease or purchase at public auction;
 - 4. Request sealed proposals to lease or purchase the property.

PART IV. STAFF RECOMMENDED MOTION:

Motion for Approval:

"I move that the City dispose of Lot 6 Block 2 South Fill Development Park for not less than fair market value as outlined in chapter 5.22.060A ____*____"

*It is intended that the maker of the motion select one of the four methods in the applicable code section above and insert such in the blank in the recommended motion.

Memorandum

To: City of Cordova Planning Commission

From: Samantha Greenwood, City Planner

Date: 10/12/2011

Re: Disposal of City property

PART I. GENERAL INFORMATION:

File No.: 02-473-140

Requested Action: Recommendation to City Council

Address & Survey: 127 Harbor Loop Road, South Fill Development Park, Lot 6, Block 2

Zoning: Waterfront Commercial Park

PART II. BACKGROUND:

This lot is located in the South Fill Development Park (see map).and is zoned water front commercial. This lot was not used this summer for boat trailer parking ,it has been used in the past for this. There are no structures on the lot.

PART III. REVIEW OF APPLICABLE CRITERIA:

Planning Department Staff has consulted with Public Works Supervisor and determined that the lot is not being used for snow storage. The Harbor Master has no concerns with the disposal of this lot. This property is noted on the land disposal map produced by the Land Disposal Committee and updated by the Planning and Zoning board (2011) as available for sale.

PART IV. STAFF RECOMMENDATION:

The staff recommends that the Planning Commission recommend to City Council to dispose of Lot 6, Block 2 of the South Fill Development Park.

PART VI. SUGGESTED SPECIAL CONDITIONS:

None

PART VII. SUGGESTED MOTION:

“I move that Planning Commission recommend to City Council to dispose of Lot 6, Block 2, South Fill Development Park based on the findings in as contained in the staff report.”



Lot 6, Block 2
Southfill Development Park

A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

DATE: October 26, 2011

TO: Mayor and City Council

SUBJECT: Fisheries Advisory Committee

There are two vacant seats on the Fisheries Advisory Committee and with upcoming Board of Fish meetings Tore Baker has asked that the Committee seats be filled in order to have a meeting to formulate recommendations for Council. At the printing of this packet, there were yet to be letters of interest turned into the Clerk. Hopefully there will be interested individuals for appointments to be made at the meeting.

RECOMMENDED MOTION: Move to approve Mayor Kallander's appointments of _____ and _____ to the Fisheries Advisory Committee.

REQUIRED ACTION: Majority voice vote.

PENDING AGENDA

Capital Priorities List Meeting – **December 2011, March 2012, June 2012, September 2012, December 2012**

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 VACANCY, ADF&G

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

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

November 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 7:30 reg mtg LMR	3	4	5
6	7 —AML—FBX—	8 P&Z Commission Mtg 7pm CH —AML—FBX—	9 Hrbr Cms 7pm CH HSB 7pm LMR Sch Bd 7pm HSL —AML—FBX—	10 —Clerk Vac— —AML—FBX—	11 Veteran's Day—City Hall Offices Closed —AML—FBX—	12
13	14 —Clerk Vac—	15 7:00 bdgt wksn —Clerk Vac—	16 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	17 7:00 bdgt wksn	18 Foraker Group City Boards and Commissions training 6-8pm	19
20	21 7:00 bdgt wksn	22 7:00 bdgt wksn	23	24 Thanksgiving—City Hall Offices Closed	25 Thanksgiving—City Hall Offices Closed	26
27	28 7:00 special meeting	29 5:30 Prks & Rec LMR	30			Location Legend CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib

December 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib				1 —Clerk Vac—	2 —Clerk Vac—	3
4	5	6	7 7:00 pub hrg LMR (for 2012 budget & fee resolution) 7:30 reg mtg LMR	8	9 City Employee Christmas Party	10
11	12	13 5:30 Prks & Rec LMR	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 Christmas holiday— City Hall Offices Closed	27	28	29	30	31

January 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 New Years holiday— City Hall Offices Closed	3	4 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	5	6	7
8	9	10 5:30 Prks & Rec LMR	11 Hrbr Cms 7pm CH HSB 7pm LMR Sch Bd 7pm HSL	12	13	14
15	16	17	18 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	19	20	21
22	23	24	25	26	27	28
29	30	31				Location Legend CH—City Hall Confer- ence Room LMR—Library Meeting Room HSL—High Sch Lib