

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2010-11

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING THE SALE OF LOT 1B OF THE LITTLE CRITTER SUBDIVISION TO BURGESS BAUDER AND VICTORIA VOSBURG FOR THE PURPOSE OF CONSTRUCTING AND OPERATING A VETERINARY CLINIC

1. CLASSIFICATION. This ordinance is of a permanent nature but is not intended to become a part of the Sitka General Code.

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to sell municipal property at Lot 1B of the Little Critter Subdivision to Burgess Bauder and Victoria Vosburg for constructing and operating a veterinary clinic.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that:

- A. The Purchase And Sales Agreement Between City And Borough Of Sitka And Burgess Bauder And Victoria Vosburg (Agreement) is approved;
B. The Municipal Administrator is authorized to execute the Agreement, and any of its attached exhibits; and
C. The Assembly finds that competitive bidding is inappropriate due to the nature of the property and based on the prior lease agreement between the parties, that contained an option to purchase provision, and which the Assembly exempted from competitive bidding.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this ___ day of _____, 2010.

Scott McAdams, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk

Purchase Agreement for 1300 HPR (Lot 1B of the old city shops)

Brief History

- This all began 40 years ago when the City needed a veterinarian and agreed to provide a building with utilities at no cost to Burgess.
- When the city shops were moved and the land was to be sold for affordable housing, the City felt that the best way to continue to honor that agreement was to set up the lease for land at \$1/year with an option to buy at any time.
- The stated purpose of the lease as for the construction and operation of a veterinary clinic.
- The City committed to providing water and sewer.

With Lot 1A not being sold as of this date...

- Burgess still needed water and sewer. The building is near completion but obviously can not be occupied without water and sewer.
- The City spent approximately 6 months putting together this ordinance as a way to uphold the provisions of the lease agreement while protecting the City.
- Because there was nothing in the city budget to cover the installation of water and sewer, the City proposed that we pay for water and sewer. The land would be sold for appraised value without water and sewer. In addition, the city requested that we upgrade the sewer lines to handle the anticipated needs of Lot 1A.
- In order to accomplish these transactions in a timely manner for the benefit of the City and us, the City offered to carry a promissory note for the transaction.

How does this ordinance benefit the City?

1. The lease states that water and sewer will be provided by the City. However, since it was assumed that Trapline would finance the project, no money was put into the budget. This ordinance protects the City Budget while honoring the lease agreement.
2. This ordinance allows for an upgrade to the sewer lines to Lot 1A. We are happy to help the City with this. This upgrade will help to facilitate the sale of Lot 1A as well as save the City the costs associated with digging up the sewer line to put in the upgrades.
3. Passing this ordinance with the financing will allow Burgess to vacate the building he is currently occupying thus facilitating the sale of Lot 1A.
4. The lease states that we have the right to purchase the land at any time. Procuring outside financing has proven to be difficult. However, because of the complicated nature of this agreement, which allows us to purchase the land and to install upgraded sewer on Lot 1A, the city felt that carrying the loan on this property was justified.
5. We have been working on purchasing the land since 2007. The building is approximately 2 months from completion. This ordinance, including the financing, is a fair way for the City to meet its lease obligations and upgrade the primary parcel for sale.



City and Borough of Sitka

PUBLIC SERVICES

100 LINCOLN STREET • SITKA, ALASKA 99835

PHONE (907) 747-1804 FAX (907) 747-3158

MEMO

Date: May 5, 2010
To: Mayor McAdams and Assembly Members
From: Jim Dinley, Administrator *JFD*
Subject: **Bauder/Vosburg Purchase/Sales Agreement**

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Background

On January 11, 2005 the Assembly approved a lease agreement with Dr. Burgess Bauder for Lot 1B of the Little Critter Subdivision which allowed him to construct a veterinary clinic with his own funds in order to continue to provide veterinary services for nominal fees. This lease was modified by Assembly action on June 27, 2006 to allow the construction of an apartment above the clinic. The lease agreement allows Dr. Bauder to purchase the parcel at any time at the total appraised value. The purchase/sales agreement currently under consideration spells out the details of this transaction.

Analysis

The purchasers will provide water and sewer service to the clinic currently under construction via an easement across the front of the adjacent, City-owned parcel, Lot 1A. In order to provide flexibility to the City for future use of Lot 1A, the purchasers will install a sewer main larger than what is required for the clinic. The additional costs of this installation will be deducted from the purchase price.

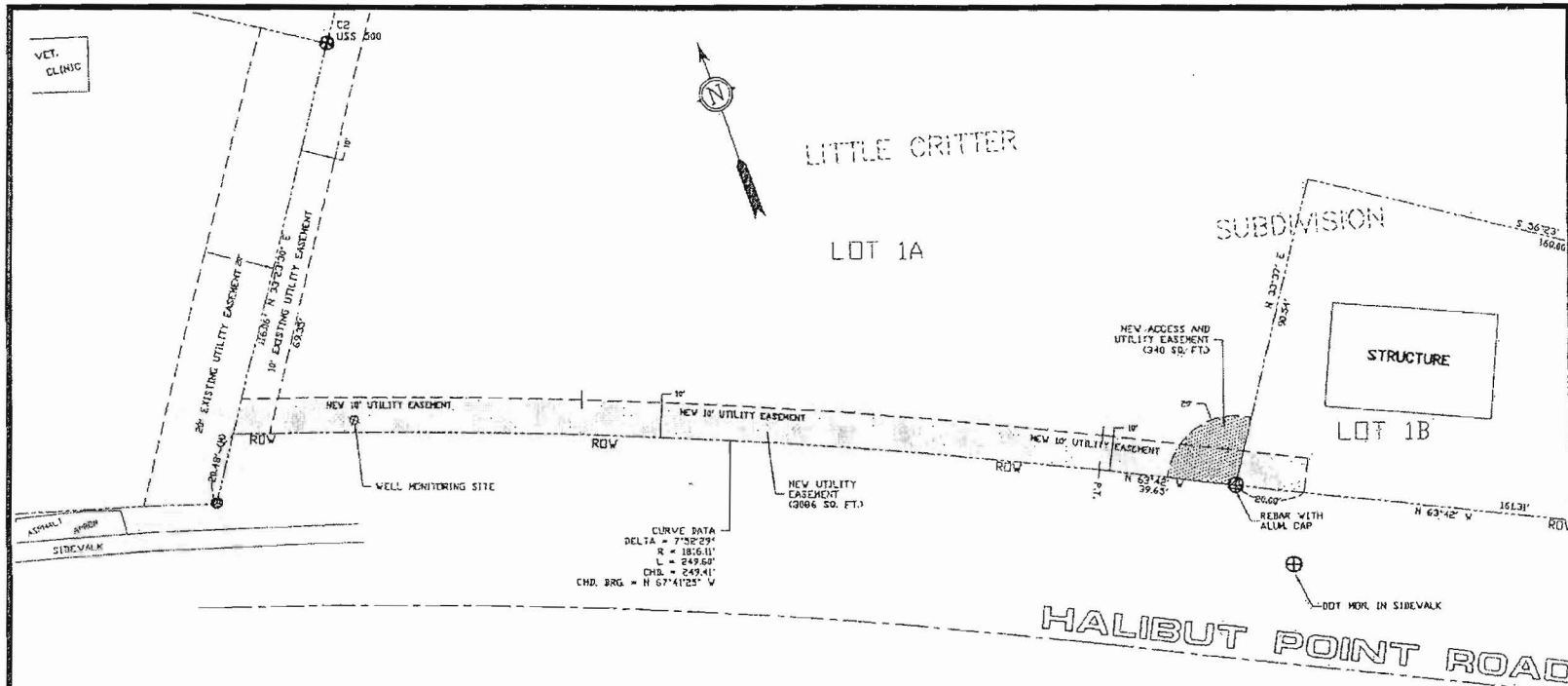
Fiscal Note

The purchasers have arranged an agreement with the Financial Department to sign a promissory note for the full purchase price of the property. The terms of this note will be 5% interest for 20 years.

Recommendation

Approve the ordinance authorizing the sale of Lot 1B of the Little Critter Subdivision to Burgess Bauder and Victoria Vosburg for the purpose of constructing and operating a veterinary clinic.

EXHIBIT A



THE UTILITY EASEMENT CONSISTS OF A 10 FT. WIDE SECTION RUNNING ALONG THE ENTIRE LENGTH OF THE SOUTHERLY BOUNDARY OF LOT 1A, LITTLE CRITTER SUBDIVISION, ADJACENT TO THE HALIBUT POINT ROAD RIGHT-OF-WAY, AND EXTENDS AN ADDITIONAL 20 FT. ALONG THE RIGHT-OF-WAY INTO LOT 1B OF THE LITTLE CRITTER SUBDIVISION.

THE ACCESS EASEMENT CONSISTS OF A 33.97 FT. ARC, WITH RADIUS POINT AT THE SOUTHWESTERLY CORNER OF LOT 1B OF THE LITTLE CRITTER SUBDIVISION. SAID ARC EXTENDS FROM THE HALIBUT POINT ROAD RIGHT-OF-WAY THROUGH THE SOUTHEASTERLY CORNER OF LOT 1A TO THE INTERSECTION WITH THE WESTERLY PROPERTY LINE OF LOT 1B.

O'NEILL
SURVEYING AND ENGINEERING

BOX 1949, SITKA, ALASKA 99835
 (907) 747-6700

VETERINARY CLINIC
SITKA, ALASKA

10' UTILITY EASEMENT LOCATED WITHIN LOTS 1A AND 1B, LITTLE CRITTER SUBDIVISION, AND 20 FT. RADIUS ACCESS EASEMENT LOCATED WITHIN LOT 1A, LITTLE CRITTER SUBDIVISION.

EASEMENT DRAWING

EXHIBIT A

AFTER RECORDING, RETURN TO:
Burgess Bauder and Victoria Vosburg
1315 Halibut Point Road
Sitka, Alaska 99835

QUIT CLAIM DEED

The Grantor, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska, 99835, for and in consideration of a Deed of Trust and a Promissory Note to secure the payment of Sixty Seven Thousand and Seventeen Dollars (\$67,017.00) and other valuable consideration, by Burgess Bauder and Victoria Vosburg, 1315 Halibut Point Road, Sitka, Alaska, 99835, conveys and quit claims to Burgess Bauder and Victoria Vosburg, the following real property which is located in the Sitka Recording District of Alaska:

Lot 1B of the Little Critter Subdivision, according to the official plat filed and recorded as Plat No. 2005-8, Sitka Recording District, First Judicial District, State of Alaska, subject to reservations, exceptions, easements, covenants, conditions and restrictions of record, right of ways, roads, public improvements, utility improvements, if any.

DATED this _____ day of _____, 2010 at Sitka, Alaska.

Jim Dinley, Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on _____, before me, a Notary Public in and for the State of Alaska, personally appeared JIM DINLEY, known to me to be the person whose name is subscribed to the foregoing deed, and by signing this deed, swears or affirms under oath that he is the Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, that he has been authorized to execute this deed on its behalf, which he executes freely and voluntarily.

WITNESS my hand and official seal the day and year in this certificate first above written.

Notary Public for Alaska
My Commission Expires:

Exhibit B

Please return to: City and Borough of Sitka
Legal Department
100 Lincoln Street
Sitka, AK 99835

GRANT OF UTILITY AND ACCESS EASEMENTS

City and Borough of Sitka, the current owner of Lot 1A of the Little Critter Subdivision, in Sitka, Alaska, agrees to grant a utility easement and an access easement, which are graphically shown on the attached Exhibit A, based on the Purchase And Sales Agreement Between City And Borough Of Sitka And Burgess Bauder And Victoria Vosburg, executed regarding Lot 1A.

The utility easement, which is for the creation and/or maintenance of the existing and/or future utility system(s), is more particularly described as follows:

Commencing at the lower southwestern corner of Lot 1A, Little Critter Subdivision, filed as Plat 2005-8, Sitka Recording District, Sitka, Alaska, and consisting of a 10 ft. wide section running along the entire length of the southern boundary of Lot 1A, adjacent to the Halibut Point Road right-of-way, to the lower southeastern corner of Lot 1A to the intersection with the Lot 1B; and containing 2,892 square feet more or less.

The access easement, which is for the benefit of Lot 1B to be able to access Lot 1 B from Lot 1A, is more particularly described as follows:

Commencing at the lower southeastern corner of Lot 1A, Little Critter Subdivision, filed as Plat 2005-8, Sitka Recording District, Sitka, Alaska, in which it intersects with Lot 1B, and consisting of a 33.97 ft. arc, with the radius point at the southwestern corner of Lot 1B, and extends from the Halibut Point Road right-of-way through the southeastern corner of Lot 1A; and containing 340 square feet more or less.

The grant of these easements is in perpetuity unless vacated by the City and Borough of Sitka. The easements shall run with the land and shall be binding and effective on all future lot owners.

These easements are in effective on the date of signing of this document.

Date

Jim Dinley, Municipal Administrator

State of Alaska)
) ss.
First Judicial District)

THIS CERTIFIES that on this _____ day of _____, 2010, Jim Dinley, Municipal Administrator for the City and Borough of Sitka, personally appeared before me and known to be the person who executed the foregoing document, and acknowledges by signing this document that he is authorized to sign on behalf of the City and Borough of Sitka, and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

Please return to: City and Borough of Sitka
Legal Department
100 Lincoln Street
Sitka, AK 99835

GRANT OF UTILITY EASEMENT

Burgess Bauder and Victoria Vosburg, the new and current owners of Lot 1B of the Little Critter Subdivision, in Sitka, Alaska, agree to grant a utility easement, which is graphically shown on the attached Exhibit A, based on the Purchase And Sales Agreement Between City And Borough Of Sitka And Burgess Bauder And Victoria Vosburg, to the City and Borough of Sitka, the prior owner, executed regarding Lot 1B.

The utility easement, which is for the creation and/or maintenance of the existing and/or future utility system(s), is more particularly described as follows:

Commencing at the lower southwestern corner of Lot 1B, Little Critter Subdivision, filed as Plat 2005-8, Sitka Recording District, Sitka, Alaska, and consisting of a 10 ft. wide section running for 20 ft. along the southern boundary of Lot 1B, adjacent to the Halibut Point Road right-of-way; and containing 194 square feet more or less.

The grant of this easement is in perpetuity unless vacated by the City and Borough of Sitka. The easement shall run with the land and shall be binding and effective on all future lot owners.

This easement is in effective on the date of signing of this document.

Date

Burgess Bauder

Date

Victoria Vosburg

State of Alaska)
) ss.
First Judicial District)

THIS CERTIFIES that on this _____ day of _____, 2010, Burgess Bauder personally appeared before me and known to be the person who executed the foregoing document, and acknowledges by signing this document that he is authorized to sign and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____ \

State of Alaska)
) ss.
First Judicial District)

THIS CERTIFIES that on this _____ day of _____, 2010, Victoria Vosburg personally appeared before me and known to be the person who executed the foregoing document, and acknowledges by signing this document that he is authorized to sign and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

EXhibit D

**PROMISSORY NOTE RELATING TO
PURCHASE AND SALES AGREEMENT BETWEEN CITY AND BOROUGH OF
SITKA AND R. BURGESS BAUDER AND VICTORIA VOSBURG**

\$67,017.00

**May 12, 2010
Sitka, Alaska**

FOR CONSIDERATION RECEIVED, the undersigned **R. Burgess Bauder and Victoria Vosburg** ("Debtors"), sign this Promissory Note relating to the Purchase and Sales Agreement ("Note") for property located at 1300 Halibut Point Road "A" or legally known as Lot 1B, Little Critter Subdivision according to Plat 2005-8 in the Sitka Recording District, First Judicial District, State of Alaska and promises to pay to the City and Borough of Sitka ("CBS") the sum of Sixty-Seven Thousand Seventeen and 00/100 Dollars (**\$67,017.00**), with a fixed rate of interest at **five percent (5%)** per annum on the balance, to be paid as follows:

Payments of **\$440.00** must be received by CBS on the **first day** of each month. The first payment is due on July 1, 2010. The length of this payment arrangement is for a period of twenty (20) years. The last payment of **\$319.43** is due on June 1, 2030. See attached for payment schedule.

CBS may cause additional parties to be added or release any party, either with or without notice to the undersigned, either as co-maker, endorsers, or guarantors, or may extend the time for making any installment, or may accept an installment in advance, without affecting the liability of the undersigned.

The Debtors may prepay without penalty.

Should CBS take any action to collect on this Note, any partial payment, or to protect its interest in this Note, the Debtors agree to pay all reasonable attorney fees, court costs (including fees and court costs in any appeal or bankruptcy proceeding and including on any matter that is specific to a bankruptcy proceeding), plus any actual expenditures incurred to secure the payment of or to collect on this Note.

The Debtors waive demand, protest and notice of demand, protest and nonpayment, and expressly agrees that this Note or any provision on this Note may be extended from time to time and consents to the acceptance of further security, including other types of security, all without in any way affecting his liability.

If default in the payment of any installment due under this Note occurs and such default is not cured within ten (10) days after the due date, then the entire principal sum and accrued interest due under this Note shall become at once due and payable at the written option of CBS of this Note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

The mortgagor or trustor (Debtors) are personally obligated and fully liable for the amount due under this Note. The mortgage or beneficiary (CBS) has the right to sue on the Note and obtain a personal judgment against the mortgagor or trustor (undersigned Debtors) for satisfaction for the amount due under the Note either before or after a judicial foreclosure of the mortgage or deed of trust under AS 09.45.170-9.45.220.

The Debtors agree to pay in full the purchase price associated with the property located at 1300 Halibut Point Road "A" as set out in this Note and understands that a deed of trust has been recorded.

R. Burgess Bauder _____
Date

STATE OF ALASKA)
)ss. **ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

On this _____ day of _____, 2010, **R. Burgess Bauder** personally appeared before me, based upon proof of identification to be the signer of the above Promissory Note Relating To Purchase and Sales Agreement, and he acknowledged that he executed it.

Notary Public for Alaska
My Commission Expires:

Victoria Vosburg _____
Date

STATE OF ALASKA)
)ss. **ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

On this _____ day of _____, 2010, **Victoria Vosburg** personally appeared before me, based upon proof of identification to be the signer of the above Promissory Note Relating To Purchase and Sales Agreement, and she acknowledged that she executed it.

Notary Public for Alaska
My Commission Expires:

PAYMENT SCHEDULE

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
					\$67,017.00
1	7/1/2010	\$440.00		\$440.00	\$66,577.00
2	8/1/2010	\$440.00	\$282.72	\$157.28	\$66,419.72
3	9/1/2010	\$440.00	\$282.06	\$157.94	\$66,261.78
4	10/1/2010	\$440.00	\$272.31	\$167.69	\$66,094.09
5	11/1/2010	\$440.00	\$280.67	\$159.33	\$65,934.76
6	12/1/2010	\$440.00	\$270.96	\$169.04	\$65,765.72
7	1/1/2011	\$440.00	\$279.28	\$160.72	\$65,605.00
8	2/1/2011	\$440.00	\$278.60	\$161.40	\$65,443.60
9	3/1/2011	\$440.00	\$251.02	\$188.98	\$65,254.62
10	4/1/2011	\$440.00	\$277.11	\$162.89	\$65,091.73
11	5/1/2011	\$440.00	\$267.50	\$172.50	\$64,919.23
12	6/1/2011	\$440.00	\$275.68	\$164.32	\$64,754.91
13	7/1/2011	\$440.00	\$266.12	\$173.88	\$64,581.03
14	8/1/2011	\$440.00	\$274.25	\$165.75	\$64,415.28
15	9/1/2011	\$440.00	\$273.54	\$166.46	\$64,248.82
16	10/1/2011	\$440.00	\$264.04	\$175.96	\$64,072.86
17	11/1/2011	\$440.00	\$272.09	\$167.91	\$63,904.95
18	12/1/2011	\$440.00	\$262.62	\$177.38	\$63,727.57
19	1/1/2012	\$440.00	\$270.62	\$169.38	\$63,558.19
20	2/1/2012	\$440.00	\$269.90	\$170.10	\$63,388.09
21	3/1/2012	\$440.00	\$243.13	\$196.87	\$63,191.22
22	4/1/2012	\$440.00	\$268.35	\$171.65	\$63,019.57
23	5/1/2012	\$440.00	\$258.98	\$181.02	\$62,838.55
24	6/1/2012	\$440.00	\$266.85	\$173.15	\$62,665.40
25	7/1/2012	\$440.00	\$257.53	\$182.47	\$62,482.93
26	8/1/2012	\$440.00	\$265.34	\$174.66	\$62,308.27
27	9/1/2012	\$440.00	\$264.60	\$175.40	\$62,132.87
28	10/1/2012	\$440.00	\$255.34	\$184.66	\$61,948.21
29	11/1/2012	\$440.00	\$263.07	\$176.93	\$61,771.28
30	12/1/2012	\$440.00	\$253.85	\$186.15	\$61,585.13
31	1/1/2013	\$440.00	\$261.53	\$178.47	\$61,406.66
32	2/1/2013	\$440.00	\$260.77	\$179.23	\$61,227.43
33	3/1/2013	\$440.00	\$234.84	\$205.16	\$61,022.27
34	4/1/2013	\$440.00	\$259.14	\$180.86	\$60,841.41
35	5/1/2013	\$440.00	\$250.03	\$189.97	\$60,651.44
36	6/1/2013	\$440.00	\$257.56	\$182.44	\$60,469.00
37	7/1/2013	\$440.00	\$248.50	\$191.50	\$60,277.50
38	8/1/2013	\$440.00	\$255.97	\$184.03	\$60,093.47
39	9/1/2013	\$440.00	\$255.19	\$184.81	\$59,908.66
40	10/1/2013	\$440.00	\$246.20	\$193.80	\$59,714.86

PAYMENT SCHEDULE

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
41	11/1/2013	\$440.00	\$253.58	\$186.42	\$59,528.44
42	12/1/2013	\$440.00	\$244.64	\$195.36	\$59,333.08
43	1/1/2014	\$440.00	\$251.96	\$188.04	\$59,145.04
44	2/1/2014	\$440.00	\$251.16	\$188.84	\$58,956.20
45	3/1/2014	\$440.00	\$226.13	\$213.87	\$58,742.33
46	4/1/2014	\$440.00	\$249.45	\$190.55	\$58,551.78
47	5/1/2014	\$440.00	\$240.62	\$199.38	\$58,352.40
48	6/1/2014	\$440.00	\$247.80	\$192.20	\$58,160.20
49	7/1/2014	\$440.00	\$239.01	\$200.99	\$57,959.21
50	8/1/2014	\$440.00	\$246.13	\$193.87	\$57,765.34
51	9/1/2014	\$440.00	\$245.30	\$194.70	\$57,570.64
52	10/1/2014	\$440.00	\$236.59	\$203.41	\$57,367.23
53	11/1/2014	\$440.00	\$243.61	\$196.39	\$57,170.84
54	12/1/2014	\$440.00	\$234.95	\$205.05	\$56,965.79
55	1/1/2015	\$440.00	\$241.91	\$198.09	\$56,767.70
56	2/1/2015	\$440.00	\$241.07	\$198.93	\$56,568.77
57	3/1/2015	\$440.00	\$216.98	\$223.02	\$56,345.75
58	4/1/2015	\$440.00	\$239.28	\$200.72	\$56,145.03
59	5/1/2015	\$440.00	\$230.73	\$209.27	\$55,935.76
60	6/1/2015	\$440.00	\$237.54	\$202.46	\$55,733.30
61	7/1/2015	\$440.00	\$229.04	\$210.96	\$55,522.34
62	8/1/2015	\$440.00	\$235.78	\$204.22	\$55,318.12
63	9/1/2015	\$440.00	\$234.91	\$205.09	\$55,113.03
64	10/1/2015	\$440.00	\$226.49	\$213.51	\$54,899.52
65	11/1/2015	\$440.00	\$233.13	\$206.87	\$54,692.65
66	12/1/2015	\$440.00	\$224.76	\$215.24	\$54,477.41
67	1/1/2016	\$440.00	\$74.63	\$365.37	\$54,112.04
68	2/1/2016	\$440.00	\$229.79	\$210.21	\$53,901.83
69	3/1/2016	\$440.00	\$206.75	\$233.25	\$53,668.58
70	4/1/2016	\$440.00	\$227.91	\$212.09	\$53,456.49
71	5/1/2016	\$440.00	\$219.68	\$220.32	\$53,236.17
72	6/1/2016	\$440.00	\$226.07	\$213.93	\$53,022.24
73	7/1/2016	\$440.00	\$217.90	\$222.10	\$52,800.14
74	8/1/2016	\$440.00	\$224.22	\$215.78	\$52,584.36
75	9/1/2016	\$440.00	\$223.30	\$216.70	\$52,367.66
76	10/1/2016	\$440.00	\$215.21	\$224.79	\$52,142.87
77	11/1/2016	\$440.00	\$221.43	\$218.57	\$51,924.30
78	12/1/2016	\$440.00	\$213.39	\$226.61	\$51,697.69
79	1/1/2017	\$440.00	\$219.54	\$220.46	\$51,477.23
80	2/1/2017	\$440.00	\$218.60	\$221.40	\$51,255.83
81	3/1/2017	\$440.00	\$196.60	\$243.40	\$51,012.43

PAYMENT SCHEDULE

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
82	4/1/2017	\$440.00	\$216.63	\$223.37	\$50,789.06
83	5/1/2017	\$440.00	\$208.72	\$231.28	\$50,557.78
84	6/1/2017	\$440.00	\$214.70	\$225.30	\$50,332.48
85	7/1/2017	\$440.00	\$206.85	\$233.15	\$50,099.33
86	8/1/2017	\$440.00	\$212.75	\$227.25	\$49,872.08
87	9/1/2017	\$440.00	\$211.79	\$228.21	\$49,643.87
88	10/1/2017	\$440.00	\$204.02	\$235.98	\$49,407.89
89	11/1/2017	\$440.00	\$209.81	\$230.19	\$49,177.70
90	12/1/2017	\$440.00	\$202.10	\$237.90	\$48,939.80
91	1/1/2018	\$440.00	\$207.83	\$232.17	\$48,707.63
92	2/1/2018	\$440.00	\$206.84	\$233.16	\$48,474.47
93	3/1/2018	\$440.00	\$185.93	\$254.07	\$48,220.40
94	4/1/2018	\$440.00	\$204.77	\$235.23	\$47,985.17
95	5/1/2018	\$440.00	\$197.20	\$242.80	\$47,742.37
96	6/1/2018	\$440.00	\$202.74	\$237.26	\$47,505.11
97	7/1/2018	\$440.00	\$195.23	\$244.77	\$47,260.34
98	8/1/2018	\$440.00	\$200.69	\$239.31	\$47,021.03
99	9/1/2018	\$440.00	\$199.68	\$240.32	\$46,780.71
100	10/1/2018	\$440.00	\$192.25	\$247.75	\$46,532.96
101	11/1/2018	\$440.00	\$197.61	\$242.39	\$46,290.57
102	12/1/2018	\$440.00	\$190.24	\$249.76	\$46,040.81
103	1/1/2019	\$440.00	\$195.52	\$244.48	\$45,796.33
104	2/1/2019	\$440.00	\$194.48	\$245.52	\$45,550.81
105	3/1/2019	\$440.00	\$174.72	\$265.28	\$45,285.53
106	4/1/2019	\$440.00	\$192.31	\$247.69	\$45,037.84
107	5/1/2019	\$440.00	\$185.09	\$254.91	\$44,782.93
108	6/1/2019	\$440.00	\$190.17	\$249.83	\$44,533.10
109	7/1/2019	\$440.00	\$183.01	\$256.99	\$44,276.11
110	8/1/2019	\$440.00	\$188.02	\$251.98	\$44,024.13
111	9/1/2019	\$440.00	\$186.95	\$253.05	\$43,771.08
112	10/1/2019	\$440.00	\$179.88	\$260.12	\$43,510.96
113	11/1/2019	\$440.00	\$184.77	\$255.23	\$43,255.73
114	12/1/2019	\$440.00	\$177.76	\$262.24	\$42,993.49
115	1/1/2020	\$440.00	\$182.58	\$257.42	\$42,736.07
116	2/1/2020	\$440.00	\$181.48	\$258.52	\$42,477.55
117	3/1/2020	\$440.00	\$162.93	\$277.07	\$42,200.48
118	4/1/2020	\$440.00	\$179.21	\$260.79	\$41,939.69
119	5/1/2020	\$440.00	\$172.35	\$267.65	\$41,672.04
120	6/1/2020	\$440.00	\$176.96	\$263.04	\$41,409.00
121	7/1/2020	\$440.00	\$170.17	\$269.83	\$41,139.17
122	8/1/2020	\$440.00	\$174.70	\$265.30	\$40,873.87

PAYMENT SCHEDULE

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
123	9/1/2020	\$440.00	\$173.57	\$266.43	\$40,607.44
124	10/1/2020	\$440.00	\$166.88	\$273.12	\$40,334.32
125	11/1/2020	\$440.00	\$171.28	\$268.72	\$40,065.60
126	12/1/2020	\$440.00	\$164.65	\$275.35	\$39,790.25
127	1/1/2021	\$440.00	\$168.97	\$271.03	\$39,519.22
128	2/1/2021	\$440.00	\$167.82	\$272.18	\$39,247.04
129	3/1/2021	\$440.00	\$150.54	\$289.46	\$38,957.58
130	4/1/2021	\$440.00	\$165.44	\$274.56	\$38,683.02
131	5/1/2021	\$440.00	\$158.97	\$281.03	\$38,401.99
132	6/1/2021	\$440.00	\$163.08	\$276.92	\$38,125.07
133	7/1/2021	\$440.00	\$156.68	\$283.32	\$37,841.75
134	8/1/2021	\$440.00	\$160.70	\$279.30	\$37,562.45
135	9/1/2021	\$440.00	\$159.51	\$280.49	\$37,281.96
136	10/1/2021	\$440.00	\$153.21	\$286.79	\$36,995.17
137	11/1/2021	\$440.00	\$157.10	\$282.90	\$36,712.27
138	12/1/2021	\$440.00	\$150.87	\$289.13	\$36,423.14
139	1/1/2022	\$440.00	\$154.67	\$285.33	\$36,137.81
140	2/1/2022	\$440.00	\$153.46	\$286.54	\$35,851.27
141	3/1/2022	\$440.00	\$137.51	\$302.49	\$35,548.78
142	4/1/2022	\$440.00	\$150.96	\$289.04	\$35,259.74
143	5/1/2022	\$440.00	\$144.90	\$295.10	\$34,964.64
144	6/1/2022	\$440.00	\$148.48	\$291.52	\$34,673.12
145	7/1/2022	\$440.00	\$142.49	\$297.51	\$34,375.61
146	8/1/2022	\$440.00	\$145.98	\$294.02	\$34,081.59
147	9/1/2022	\$440.00	\$144.73	\$295.27	\$33,786.32
148	10/1/2022	\$440.00	\$138.85	\$301.15	\$33,485.17
149	11/1/2022	\$440.00	\$142.20	\$297.80	\$33,187.37
150	12/1/2022	\$440.00	\$136.39	\$303.61	\$32,883.76
151	1/1/2023	\$440.00	\$139.64	\$300.36	\$32,583.40
152	2/1/2023	\$440.00	\$138.37	\$301.63	\$32,281.77
153	3/1/2023	\$440.00	\$123.82	\$316.18	\$31,965.59
154	4/1/2023	\$440.00	\$135.74	\$304.26	\$31,661.33
155	5/1/2023	\$440.00	\$130.12	\$309.88	\$31,351.45
156	6/1/2023	\$440.00	\$133.14	\$306.86	\$31,044.59
157	7/1/2023	\$440.00	\$127.58	\$312.42	\$30,732.17
158	8/1/2023	\$440.00	\$130.51	\$309.49	\$30,422.66
159	9/1/2023	\$440.00	\$129.19	\$310.81	\$30,111.85
160	10/1/2023	\$440.00	\$123.75	\$316.25	\$29,795.60
161	11/1/2023	\$440.00	\$126.53	\$313.47	\$29,482.13
162	12/1/2023	\$440.00	\$121.16	\$318.84	\$29,163.29
163	1/1/2024	\$440.00	\$123.84	\$316.16	\$28,847.13

PAYMENT SCHEDULE

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
164	2/1/2024	\$440.00	\$122.50	\$317.50	\$28,529.63
165	3/1/2024	\$440.00	\$109.43	\$330.57	\$28,199.06
166	4/1/2024	\$440.00	\$119.75	\$320.25	\$27,878.81
167	5/1/2024	\$440.00	\$114.57	\$325.43	\$27,553.38
168	6/1/2024	\$440.00	\$117.01	\$322.99	\$27,230.39
169	7/1/2024	\$440.00	\$111.91	\$328.09	\$26,902.30
170	8/1/2024	\$440.00	\$114.24	\$325.76	\$26,576.54
171	9/1/2024	\$440.00	\$112.86	\$327.14	\$26,249.40
172	10/1/2024	\$440.00	\$107.87	\$332.13	\$25,917.27
173	11/1/2024	\$440.00	\$110.06	\$329.94	\$25,587.33
174	12/1/2024	\$440.00	\$105.15	\$334.85	\$25,252.48
175	1/1/2025	\$440.00	\$107.24	\$332.76	\$24,919.72
176	2/1/2025	\$440.00	\$105.82	\$334.18	\$24,585.54
177	3/1/2025	\$440.00	\$94.30	\$345.70	\$24,239.84
178	4/1/2025	\$440.00	\$102.94	\$337.06	\$23,902.78
179	5/1/2025	\$440.00	\$98.23	\$341.77	\$23,561.01
180	6/1/2025	\$440.00	\$100.05	\$339.95	\$23,221.06
181	7/1/2025	\$440.00	\$95.43	\$344.57	\$22,876.49
182	8/1/2025	\$440.00	\$97.15	\$342.85	\$22,533.64
183	9/1/2025	\$440.00	\$95.69	\$344.31	\$22,189.33
184	10/1/2025	\$440.00	\$91.19	\$348.81	\$21,840.52
185	11/1/2025	\$440.00	\$92.75	\$347.25	\$21,493.27
186	12/1/2025	\$440.00	\$88.33	\$351.67	\$21,141.60
187	1/1/2026	\$440.00	\$89.78	\$350.22	\$20,791.38
188	2/1/2026	\$440.00	\$88.29	\$351.71	\$20,439.67
189	3/1/2026	\$440.00	\$78.40	\$361.60	\$20,078.07
190	4/1/2026	\$440.00	\$85.26	\$354.74	\$19,723.33
191	5/1/2026	\$440.00	\$81.05	\$358.95	\$19,364.38
192	6/1/2026	\$440.00	\$82.23	\$357.77	\$19,006.61
193	7/1/2026	\$440.00	\$78.11	\$361.89	\$18,644.72
194	8/1/2026	\$440.00	\$79.18	\$360.82	\$18,283.90
195	9/1/2026	\$440.00	\$77.64	\$362.36	\$17,921.54
196	10/1/2026	\$440.00	\$73.65	\$366.35	\$17,555.19
197	11/1/2026	\$440.00	\$74.55	\$365.45	\$17,189.74
198	12/1/2026	\$440.00	\$70.64	\$369.36	\$16,820.38
199	1/1/2027	\$440.00	\$71.43	\$368.57	\$16,451.81
200	2/1/2027	\$440.00	\$69.86	\$370.14	\$16,081.67
201	3/1/2027	\$440.00	\$61.68	\$378.32	\$15,703.35
202	4/1/2027	\$440.00	\$66.69	\$373.31	\$15,330.04
203	5/1/2027	\$440.00	\$63.00	\$377.00	\$14,953.04
204	6/1/2027	\$440.00	\$63.50	\$376.50	\$14,576.54

PAYMENT SCHEDULE

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
205	7/1/2027	\$440.00	\$59.90	\$380.10	\$14,196.44
206	8/1/2027	\$440.00	\$60.29	\$379.71	\$13,816.73
207	9/1/2027	\$440.00	\$58.67	\$381.33	\$13,435.40
208	10/1/2027	\$440.00	\$55.21	\$384.79	\$13,050.61
209	11/1/2027	\$440.00	\$55.42	\$384.58	\$12,666.03
210	12/1/2027	\$440.00	\$52.05	\$387.95	\$12,278.08
211	1/1/2028	\$440.00	\$52.14	\$387.86	\$11,890.22
212	2/1/2028	\$440.00	\$50.49	\$389.51	\$11,500.71
213	3/1/2028	\$440.00	\$44.11	\$395.89	\$11,104.82
214	4/1/2028	\$440.00	\$47.16	\$392.84	\$10,711.98
215	5/1/2028	\$440.00	\$44.02	\$395.98	\$10,316.00
216	6/1/2028	\$440.00	\$43.81	\$396.19	\$9,919.81
217	7/1/2028	\$440.00	\$40.77	\$399.23	\$9,520.58
218	8/1/2028	\$440.00	\$40.43	\$399.57	\$9,121.01
219	9/1/2028	\$440.00	\$38.73	\$401.27	\$8,719.74
220	10/1/2028	\$440.00	\$35.83	\$404.17	\$8,315.57
221	11/1/2028	\$440.00	\$35.31	\$404.69	\$7,910.88
222	12/1/2028	\$440.00	\$32.51	\$407.49	\$7,503.39
223	1/1/2029	\$440.00	\$31.86	\$408.14	\$7,095.25
224	2/1/2029	\$440.00	\$30.13	\$409.87	\$6,685.38
225	3/1/2029	\$440.00	\$25.64	\$414.36	\$6,271.02
226	4/1/2029	\$440.00	\$26.63	\$413.37	\$5,857.65
227	5/1/2029	\$440.00	\$24.07	\$415.93	\$5,441.72
228	6/1/2029	\$440.00	\$23.11	\$416.89	\$5,024.83
229	7/1/2029	\$440.00	\$20.65	\$419.35	\$4,605.48
230	8/1/2029	\$440.00	\$19.56	\$420.44	\$4,185.04
231	9/1/2029	\$440.00	\$17.77	\$422.23	\$3,762.81
232	10/1/2029	\$440.00	\$15.46	\$424.54	\$3,338.27
233	11/1/2029	\$440.00	\$14.18	\$425.82	\$2,912.45
234	12/1/2029	\$440.00	\$11.97	\$428.03	\$2,484.42
235	1/1/2030	\$440.00	\$10.55	\$429.45	\$2,054.97
236	2/1/2030	\$440.00	\$8.73	\$431.27	\$1,623.70
237	3/1/2030	\$440.00	\$6.23	\$433.77	\$1,189.93
238	4/1/2030	\$440.00	\$5.05	\$434.95	\$754.98
239	5/1/2030	\$440.00	\$3.10	\$436.90	\$318.08
240	6/1/2030	\$319.43	\$1.35	\$318.08	\$0.00

NOTE: Interest begins calculating as of 7/01/10.

WHEN RECORDED RETURN TO:

Name:
Address:

DEED OF TRUST

THIS DEED OF TRUST, Made this _____,

BETWEEN _____, hereinafter called TRUSTOR,

whose address is,,

SOUTHEASTERN TITLE AGENCY INC., herein called TRUSTEE, and

_____ herein called BENEFICIARY,

WITNESSETH: That trustor GRANTS, BARGAINS, SELLS, and CONVEYS to TRUSTEE IN TRUST WITH POWER OF SALE, that property in the _____ Recording District, Judicial District, State of Alaska, described as follows:

For the Purpose of Securing: 1. Performance of each agreement of Trustor herein contained. 2. Payment of the indebtedness evidenced by one promissory note of even date, herewith, in the Principal sum ~~of~~ payable to Beneficiary or order, *in the amount of \$67,017.00.*

A. To protect the security of this Deed of Trust, Trustor agrees: 1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit to permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to maintain in an orderly manner, paint, repair, keep free of freezing, and do all other acts which from character or use of said property may be reasonably necessary, the specific enumeration's herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire insurance and extended coverage satisfactory to and with loss payable to Beneficiary in an amount not less than. The amount collected under any fire or other insurance policy may be applied to Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights of powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

4. To pay, at least ten days before delinquency, all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, with interest on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at allowable rate.

EXHIBIT F

DEED OF TRUST - continued

6. Should Trustor fail to make any payment or to do any act as herein provided, the Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fee.

B. It is mutually agreed that: 1. Any award or damages in connection with any condemnation for public use of or injury to said property or any part thereof, is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. Any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey all or any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5. As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issue and profits, including those past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of his election to cause to be sold the herein described property to satisfy the obligation hereof, and shall cause such notice to be recorded in the office of the recorder of each recording precinct wherein said real property of some part hereof is situated.

Notice of sale having been given as then required by law and not less than the time than required by law having elapsed after recordation of such notice of default, Trustee without demand on Trustor, shall sell said property at the time and place of sale fixed by it in said notice of sale, 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 time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchase its deed conveying the property so sold, but without any covenant or warranty express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, as hereunder defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title and reasonable counsel fees in connection with sale Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid with accrued interest at eight percent per annum; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. This Deed applied to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner, including pledgee of the note secured hereby, whether or not named as a beneficiary herein, or, if the note has been pledged, the pledgee thereof. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

Exhibit F

DEED OF TRUST - continued

8. Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

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

10. If two or more persons be designated as Trustee herein, any or all, powers granted herein to Trustee may be exercised by any of such persons, if the other person or persons is unable, for any reason, to act, and any recital of such inability in any instrument executed by any of such persons shall be conclusive against Trustor, his heirs and assigns.

*SEE BELOW

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinabove set forth.

STATE OF ALASKA)
FIRST JUDICIAL DISTRICT) ss.
)

On this day personally appeared before me: _____
_____ to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged _____ signed the same as _____ free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 20____.

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

* 11. In addition to the remedies listed in B.6 and B.5., in the event of default by Trustor in payment of any indebtedness secured hereby, or in performance of any agreement, hereunder, the Beneficiary may foreclose the lien of this Deed of Trust under AS 09.45.

12. The maturity date of this Deed of Trust is June 1, 2030.

Exhibit F

* 11. *Purchasers also agree that as part of the consideration for the Seller financing the purchase as set out in the Promissory Note attached to the Purchase And Sales Agreement Between City And Borough Of Sitka And Burgess Bauder And Victoria Vosburg, Burgess Bauder shall only charge nominal service fees for his veterinary services conducted on the Property. This nominal service fee shall be charged by Burgess Bauder until the Promissory Note has been paid in full. "Nominal" service fees shall mean less than 50% of the "average" price for the same or comparable veterinary services, as shown in the most recent edition of "The Veterinary Fee Reference", published by the American Animal Hospital Association Press, or a similar work if publication of that reference work ceases, except that "nominal" shall not prevent Burges Bauder from charging full price for actually expenses, such as drugs, supplies and equipment or for passing on his full costs for outside lab work and similar diagnostic services.*

12. In addition to the remedies listed in B.6 and B.5., in the event of default by Trustor in payment of any indebtedness secured hereby, or in performance of any agreement, hereunder, the Beneficiary may foreclose the lien of this Deed of Trust under AS 09.45.

13. The maturity date of this Deed of Trust is June 1, 2030.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2004-62

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA
AUTHORIZING THE LEASE OF A PORTION OF LOT 7, BLOCK 5 NORTHWEST
ADDITION, UNITED STATES SURVEY 3303 B TO BURGESS BAUDER FOR THE
PURPOSE OF OPERATING A VETERINARY CLINIC CHARGING NOMINAL FEES**


1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.
2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstances shall not be affected thereby.
3. **PURPOSE.** The purpose of this ordinance is to lease property to Dr. Burgess Bauder to allow him to construct a new veterinary clinic so that he can continue to provide veterinary services at nominal fees.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that:
 - A. The City and Borough is authorized to execute the lease accompanying this ordinance.
 - B. The Assembly finds that competitive bidding is inappropriate due to the nature of the property.
5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 28th day of December, 2004.



Marko Dapceovich, Mayor

ATTEST:


Colleen Pellett, CMC
Municipal Clerk

✓ 705 B
①
Item E

A
L
A
S
K
A

2008-001475-0

Recording Dist: 103 - Sitka

8/26/2008 9:32 AM Pages: 1 of 6



THIS COVER SHEET HAS BEEN ADDED TO THIS DOCUMENT TO PROVIDE SPACE FOR THE RECORDING DATA. THIS COVER SHEET APPEARS AS THE FIRST PAGE OF THE DOCUMENT IN THE OFFICIAL PUBLIC RECORD.

DO NOT DETACH

RETURN TO:

City and Borough of Sitka
Municipal Clerk's Office, Rm. 306
100 Lincoln Street
Sitka, AK 99835

LEASE AGREEMENT
Between City and Borough of Sitka,
Burgess Bauder, and Victoria Vosburg

This Lease Agreement is made between the City and Borough of Sitka, whose address is 100 Lincoln Street, Sitka, Alaska 99835 ("the City and Borough"), Burgess Bauder of 1315 Halibut Point Road, Sitka, Alaska 99835 ("Bauder"), and Victoria Vosburg of 1315 Halibut Point Road, Sitka, Alaska 99835 ("Vosburg"). The City and Borough, Bauder, and Vosburg agree that the terms, conditions, and covenants of the Lease Agreement are as follows:

1. The City and Borough leases to Bauder a parcel to be subdivided from Lot 7, Block 5, Northwest Addition, United States Survey 3303 B ("the Parcel"), proposed to be Lot 1B, Little Critter Subdivision.
2. The Parcel shall be 12,844 square feet in size. The City and Borough shall identify the location and exterior boundaries of the Parcel and pay for the costs of the subdivision platting.
3. The City and Borough leases the Parcel to Bauder for one dollar per year. Bauder shall charge nominal fees for veterinary services, as has been his practice in the past. The Lease Agreement shall end by its own terms six months after Bauder stops operating a veterinary clinic on the Parcel while charging nominal fees for veterinary services.
4. Bauder shall construct a veterinary clinic on the Parcel with his own funds. The newly constructed clinic shall meet current City and Borough building codes.
5. Bauder shall relocate his veterinary practice to the newly constructed clinic on the Parcel within 180 days after water and sewer utilities are extended to the boundary of the Parcel by the future owner of Lot 1A.
6. Water and sewer utilities shall be extended to the Parcel at no cost to Bauder by the future owners of Lot 1A. The City and Borough (present owner of Lot 1A) shall insure this condition is included in the future sale of Lot 1A.

Vehicular access to the Parcel shall be provided to Bauder at no cost to Bauder by the future owner of Lot 1A.

7. Bauder shall continue to support the Sitka Animal Control Division of the Sitka Police Department by assisting the Animal Control Officer with dangerous animals in captivity.



8. Whenever Bauder ceases operation of the veterinary clinic as described above—which cessation would include the cessation of charging nominal fees for veterinary fees at the veterinary clinic—Bauder or Vosburg will have six months to purchase the Parcel from the City and Borough at the total appraised value of the Parcel, not including the value of the veterinary clinic building or the site improvements made by Bauder.

Bauder reserves the right to purchase that Parcel as stated above at any time.

9. The effective date of this Lease Agreement is the date shown for the latest day a signature required to be affixed to this Lease Agreement is so affixed.
10. No later than 60 days after the effective date of the Lease Agreement, Bauder shall obtain liability insurance for the property in an amount no less than \$500,000. This liability insurance shall name the City and Borough as an additional insured. Bauder shall provide the City and Borough's Finance Director with evidence of this liability insurance.
11. Bauder shall comply with all applicable laws while using the property.
12. Boarding of animals not associated with Bauder's veterinary clinic care is prohibited.
13. Bauder shall indemnify the City and Borough and its employees, officers, and agents and hold harmless the City and Borough and its employees, officers, and agents from any and all claims, demands, suits, loss, liability and expense for injury to or death of persons or damage to or loss of property arising out of or connected with the exercise of the lease privileges granted to Bauder by this Lease Agreement or arising out of any incident whatsoever which may occur on the property.
14. Upon termination of this Lease Agreement, Bauder shall remove all materials, equipment and other personal property from the property and return the property to a satisfactory condition.
15. Bauder has no power under this Lease Agreement to assign the Lease Agreement or transfer the property. Bauder has no power to sublease the property or any portion of it without written approval of the City and Borough Administrator. Notwithstanding the previous two sentences, Bauder may assign or transfer the Lease Agreement to Vosburg. Upon such transfer or assignment as described in the previous sentence, Vosburg shall be bound by all the terms, conditions, and covenants of this Lease Agreement that previously bound Bauder. If such transfer or assignment as described in the previous two sentences occurs, Vosburg must give notice within 10 days to the City and Borough Administrator of the transfer or assignment.



- 16. None of the covenants, terms, or conditions of this Lease Agreement to be kept or performed by the City and Borough or Bauder shall in any manner be waived, modified, changed, or abandoned except by a written instrument duly signed, acknowledged, and delivered by both the City and Borough and Bauder.
- 17. This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Alaska. The forum and venue for any action seeking to interpret, construe, or enforce this Lease Agreement shall only be in the Alaska State Courts in Sitka, Alaska.
- 18. This Lease Agreement contains the entire agreement between the parties concerning the property.
- 19. Each person signing this Lease Agreement warrants that he or she has the authority required to bind the party on whose behalf he or she is signing.

CITY AND BOROUGH OF SITKA

By: *[Signature]*
Hugh R. Bevan, City and Borough Administrator
Scott Brylinsky, Acting

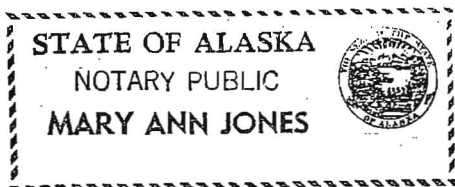
Date: 4-29-05

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

MUNICIPAL ACKNOWLEDGMENT

THIS CERTIFIES that on this 29th day of April, 2005 before me, a Notary Public in and for the State of Alaska, personally appeared ~~Hugh R. Bevan~~ *Scott Brylinsky* the person whose name is subscribed to the foregoing deed, and after being first duly sworn according to law, he stated to me under oath that he is the Administrator of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, that he has been authorized by said municipality to execute the foregoing **LEASE AGREEMENT** on its behalf, and that he executed the same freely and voluntarily as the free act and deed of said municipality.

WITNESS my hand and official seal the day and year in this certificate first above written.



[Signature]
Notary Public for Alaska
My Commission Expires: 10/14/2006
Residing at Sitka, Alaska



BURGESS BAUDER

Burgess Bauder

Date: 4/26/05

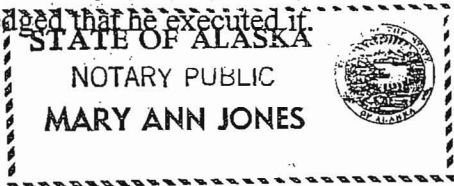
STATE OF ALASKA)

)ss.

ACKNOWLEDGMENT

FIRST JUDICIAL DISTRICT)

On this 26th day of ~~January~~ ^{April}, 2005, **Burgess Bauder** personally appeared before me, who is personally known to me to be the signer of the above **LEASE AGREEMENT**, and he acknowledged that he executed it.



Mary Ann Jones
Notary Public for Alaska
My Commission Expires: 10/14/2006
Residing at Sitka, Alaska

VICTORIA VOSBURG

Victoria Vosburg

Date: 4/27/05

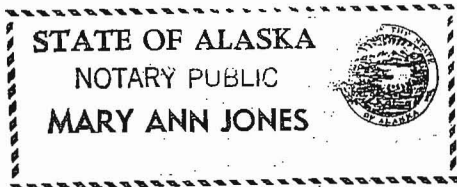
STATE OF ALASKA)

)ss.

ACKNOWLEDGMENT

FIRST JUDICIAL DISTRICT)

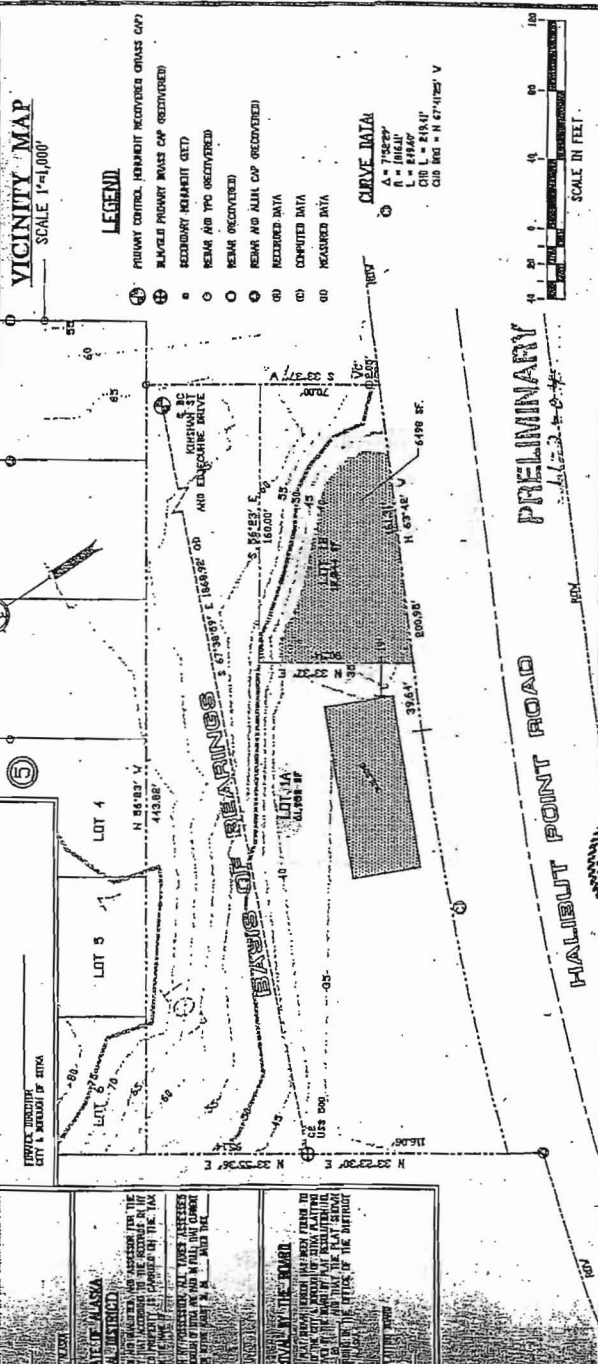
On this 27th day of ~~January~~ ^{April}, 2005, **Victoria Vosburg** personally appeared before me; whose identity I proved on the basis of satisfactory evidence to be the signed of the above **LEASE AGREEMENT**, and she acknowledged that she executed it.



Mary Ann Jones
Notary Public for Alaska
My Commission Expires: 10/14/2006
Residing at Sitka, Alaska

Burgess Bauder

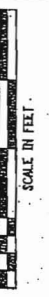




- LEGEND**
- PRIMARY CONTROL POINT RECEIVED CROSS CAP
 - BLVD/LE PROPERTY BOUNDARY CAP RECEIVED
 - RECEIVED POINT (CITY)
 - REMAI AND TPO RECEIVED
 - REMAI RECEIVED
 - REMAI AND ADJACENT CAP RECEIVED
 - RECEIVED DATA
 - COMPUTED DATA
 - MEASURED DATA

CURVE DATA

A = 700.00'
 L = 100.00'
 CIRC L = 218.41'
 CIRC RAD = N 67°42' V



CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I, THE UNDERSIGNED, WHO HAS APPOINTED AND QUALIFIED, AND FINALLY INSPECTED FOR THE CITY & MUNICIPALITY OF SITKA, AN EMBROIDERED DISTRICT, AND AS SUCH, AM RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS RECORD IN THE OFFICE OF THE DISTRICT CLERK, EX OFFICIO, SITKA, ALASKA.

DATE THIS _____ DAY OF _____ AT SITKA, ALASKA.

EMBRIDERS RECORDS
 CITY & MUNICIPALITY OF SITKA

CERTIFICATE OF PAYMENT OF LOCAL DEPARTMENT DISTRICT

I, THE UNDERSIGNED, WHO HAS APPOINTED AND QUALIFIED, AND FINALLY INSPECTED FOR THE CITY & MUNICIPALITY OF SITKA, AN EMBROIDERED DISTRICT, AND AS SUCH, AM RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS RECORD IN THE OFFICE OF THE DISTRICT CLERK, EX OFFICIO, SITKA, ALASKA.

DATE THIS _____ DAY OF _____ AT SITKA, ALASKA.

EMBRIDERS RECORDS
 CITY & MUNICIPALITY OF SITKA

STATE OF ALASKA

BEFORE ME, the undersigned authority, on this _____ day of _____, 2008, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

My commission expires _____.

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

COMMISSIONER OF ALASKA

BEFORE ME, the undersigned authority, on this _____ day of _____, 2008, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

My commission expires _____.

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

STATE OF ALASKA

BEFORE ME, the undersigned authority, on this _____ day of _____, 2008, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

My commission expires _____.

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

STATE OF ALASKA

BEFORE ME, the undersigned authority, on this _____ day of _____, 2008, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

My commission expires _____.

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

LITTLE CRITTER SUBD.

LOT 4

CBS SUBDIVISION

CLIENT: CITY AND BOROUGH OF SITKA

RECORDS SECTION

RECORDS SECTION

DATE OF PAYMENT: _____

PAID BY: _____

PHONE: 300.4-109-40

RECORDS SECTION

RECORDS SECTION

DATE OF PAYMENT: _____

PAID BY: _____

PHONE: 300.4-109-40



RECORDS SECTION

RECORDS SECTION

DATE OF PAYMENT: _____

PAID BY: _____

PHONE: 300.4-109-40

RECORDS SECTION

RECORDS SECTION

DATE OF PAYMENT: _____

PAID BY: _____

PHONE: 300.4-109-40



PURCHASE AND SALES AGREEMENT
BETWEEN CITY AND BOROUGH OF SITKA AND BURGESS BAUDER AND
VICTORIA VOSBURG

This PURCHASE AND SALES AGREEMENT BETWEEN CITY AND BOROUGH OF SITKA AND R. BURGESS BAUDER AND VICTORIA VOSBURG ("Agreement") is entered into between the CITY AND BOROUGH OF SITKA ("Seller"), a home rule municipality and municipal corporation whose address is 100 Lincoln St., Sitka, Alaska 99835, and R. BURGESS BAUDER and VICTORIA VOSBURG ("Purchasers"), whose address is 1315 Halibut Point Road, Sitka, Alaska, collectively referred to as "Parties."

1. PROPERTY. Upon the terms, conditions and covenants set forth in this Agreement, the Purchasers and Seller agree as follows regarding the property subject to purchase under this Agreement:

Purchasers agree to purchase and Seller agrees to sell to Purchasers the following real property (hereinafter referred to as the "Property"):

Lot 1B, Little Critter Subdivision, Plat No. 2005-8, in Sitka, Alaska, more particularly identified in EXHIBIT A, excluding all access easements, utility easements, public use easements, public easements, right of ways, roads, public improvements, and utility improvements.

2. PURCHASE AND PAYMENT PRICES. The purchase price for the Property ("Purchase Price") is Eighty Thousand Dollars (\$80,000.00). The Purchase Price is based on the full appraisal price of One Hundred and Twenty Seven Thousand Dollars (\$127,000), minus Forty Seven Thousand Dollars (\$47,000), which is the cost of the sewer and water utilities that was to be provided to the Purchasers under the purchase option regarding this Property at ¶ 6 in the Lease Agreement Between City And Borough Of Sitka, Burgess Bauder, And Victoria Vosburg, executed by the Parties in April 2005 ("Lease Agreement").

However, Seller shall deduct Twelve Thousand Nine Hundred and Eighty Three Dollars (\$12,983) from the Purchase Price for the following: costs related to upsizing and installing sewer service, totaling Eight Thousand and Two Hundred, and Thirty Five Dollars (\$8,235.00); and costs related to surveying costs related to the upsizing and installation of the sewer service for the Little Critter Subdivision, totaling Four Thousand Seven Hundred and Forty Eight Dollars (\$4,748). Thus, the total payment ("Payment Price") due shall be Sixty Seven Thousand and Seventeen Dollars (\$67,017.00). The Payment Price shall be paid to Seller in accordance with the Promissory Note and the Deed of Trust, executed by the parties to secure the payment of the Payment Price.

The costs related to upsizing and installing the sewer system include upgrading from a planned six (6) inch sewer service to an eight (8) inch sewer service for the Little Critter Subdivision, and payment for making other related improvements required by the Seller in relationship to the installation of the new sewer service. Such related improvements may include, but are not

limited to, changes in material specifications from PVC to HDPE or DIP, the addition of manhole(s), and relocation of the existing sewer main in tract 2 of Plat 63.

Purchasers agree that they will convert the sewer service into a City and Borough of Sitka owned sewer service in the future, with such cost paid for by the City and Borough of Sitka, when requested to do so by the City and Borough of Sitka.

Seller shall also provide as part of the payment for this Property, a signed Grant of Utility and Access Easements, as set out in EXHIBIT C.

Purchasers shall also provide as additional consideration for this Agreement, a signed Grant of Utility Easement, as set out in EXHIBIT D.

Purchasers also agree that as part of the consideration for the Seller financing the purchase as set out in the Promissory Note, R. Burgess Bauder shall only charge nominal service fees for his veterinary services conducted on the Property. This nominal service fee shall be charged by R. Burgess Bauder until the Promissory Note has been paid in full. "Nominal" service fees shall mean less than 50% of the "average" price for the same or comparable veterinary services, as shown in the most recent edition of "The Veterinary Fee Reference", published by the American Animal Hospital Association Press, or a similar work if publication of that reference work ceases, except that "nominal" shall not prevent R. Burgess Bauder from charging full price for actually expenses, such as drugs, supplies and equipment or for passing on his full costs for outside lab work and similar diagnostic services.

3. SELLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS.

(a) Seller owns the Property and intends that as a result of the transaction contemplated in this Agreement, Seller will have no further responsibility or liability for the Property, except as specifically provided in this Agreement or the Exhibits.

(b) Seller is selling the Property "AS IS", "WHERE IS," with all faults and defects, except as provided in this Agreement. Purchasers acknowledge and agree that Seller (or any agent of Seller) has not made and does not make, and Seller specifically disclaims, any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, except as expressly set forth in this Agreement or the Exhibits.

(c) Seller represents that there are no liens, encumbrances or security interests on the Property, as evidenced by the title insurance report. A quit claim deed will be executed to convey the Property to the Purchasers.

(d) Seller has or shall take all required action necessary by the Closing Date to authorize Seller to enter into this Agreement and to carry out Seller's obligations under this Agreement.

(e) The representations and warranties set forth above are made as of the Execution Date and shall be deemed made also as of the Closing Date.

(f) The provisions of this section shall survive the Closing Date.

4. SELLER'S DISCLAIMER'S

(a) Purchasers have held the exclusive right to occupy the Property as of the effective date of the Lease Agreement, fully executed by the Parties on April 29, 2005. Seller has not occupied the Property since the date of the Lease Agreement.

(b) Upon its purchase, the condition and use of the Property are still as provided in and/or subject to the applicable provisions of EXHIBITS which are entitled as follows and attached to this Agreement:

- EXHIBIT A - Legal description of the Property
- EXHIBIT B - Quit Claim Deed
- EXHIBIT C - Grant of Access and Utility Easements
- EXHIBIT D - Grant of Utility Easement
- EXHIBIT E - Promissory Note
- EXHIBIT F - Deed of Trust

(c) Upon its purchase, the use of the Property is provided in and/or subject to all applicable federal, state, and municipal laws, including zoning and other ordinances, rules and regulations.

5. PURCHASERS' REPRESENTATIONS, WARRANTIES AND COVENANTS.
Purchasers represent, warrant, covenant, and agree with Seller to the following as of the Execution Date and as of the Closing Date:

(a) Purchasers have the full right, power, and authority to purchase the Property from Seller as provided in this Agreement and to carry out Purchasers' obligations under this Agreement; and all required action necessary to authorize Purchasers to enter into this Agreement and to carry out Purchasers' obligations under this Agreement have been taken. The individuals executing this Agreement are the Purchasers, and have the authority to do so.

(b) There are no pending, or to the knowledge of Purchasers, threatened actions, suits, claims, proceedings or litigation against Purchasers that would prevent Purchasers from entering into this Agreement, or adversely affect Purchasers' ability to perform under this Agreement, or that would in any way result in any liability to Seller.

(c) There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws contemplated or filed by Purchasers or to the best knowledge of Purchasers pending against Purchasers.

(d) The representations and warranties set forth above are made as of the Execution Date and shall be deemed made also as of the Closing Date.

6. CLOSING. The purchase and sale of the Property shall be closed ("Closing") in the offices of the Seller or at such other place as is mutually agreed to in writing between Seller and Purchasers. The "Closing Date" shall be within 30 calendar days of execution of this Agreement, unless another date is agreed in writing between Seller and Purchasers prior to thirty (30) calendar days after execution of this Agreement, which may not be more than a thirty (30) calendar day extension, at a time to be agreed upon by Seller and Purchasers.

(a) At Closing, Seller, at Seller's expense, shall deliver to Purchasers:

- (i) Executed Quit Claim Deed (EXHIBIT B);
- (ii) Executed Grant of Access and Utility Easement (EXHIBIT C); and
- (iii) Any and all other documents reasonably required to be executed by Purchasers to consummate this transaction,

(b) At Closing, Purchasers, at Purchasers' expense, shall deliver to Seller:

- (i) Executed Promissory Note regarding the Payment Price (EXHIBIT E);
- (ii) Executed Deed of Trust to secure payment of the Payment Price (EXHIBIT F);
- (iii) Executed Grant of Utility Easement in the format attached as EXHIBIT D;
- (iv) Title Insurance; and
- (v) Any and all other documents reasonably required to be executed by Seller to consummate this transaction.

7. CLOSING COSTS. At Closing, closing costs and expenses of sale shall be borne as follows:

(a) Seller shall be obligated for and shall pay:

(i) Seller's attorneys' fees.

(b) Purchasers shall be obligated for and shall pay:

(i) Payment Price, to be paid in accordance with the Promissory Note and as secured by the Deed of Trust, totaling Sixty Seven Thousand and Seventeen Dollars (\$67,017.00);

(ii) Cost of Title Insurance, including any costs associated with drafting and execution of a Deed of Trust,

(iii) Cost of Purchasers' due diligence;

(iv) Recording fee for Quit Claim Deed;

(v) Any closing costs; and

(vi) Purchasers' attorneys' fees.

8. LIABILITY AND INDEMNITY. Purchasers shall hold harmless, indemnify and defend Seller, its employees, elected and unelected officials from and against any and all losses, claims, actions, demands, damages or other liabilities of any and every nature ("Claims") arising from the Property after the full execution of the Lease Agreement, as of April 29, 2005.

Seller shall hold harmless, indemnify and defend Purchasers, its employees, and agents, from and against any and all losses, claims, actions, demands, damages or other liabilities of any and every nature ("Claims") arising from the Property before the effective date of the Lease Agreement, prior to April 29, 2005.

9. ASSIGNMENT OF AGREEMENT. This Agreement may not be assigned by Purchasers, without Purchasers having to first obtain the consent of Seller.

10. NOTICES. Any notices to be given by either Party to this Agreement shall be given in writing and may be effected by personal delivery, facsimile transmittal, delivery by overnight Federal Express or similar courier service, or mailed through the United States Postal Service, as follows:

To Purchasers: R. Burgess Bauder
Victoria Vosburg
1315 Halibut Point Road
Sitka, AK 99835
Telephone: (907) _____

To Seller: Administrator, Jim Dinley
City and Borough of Sitka

100 Lincoln Street
Sitka, Alaska 99835
Telephone: (907) 747-1808
Telecopy/Fax: (907) 747-7403
E-mail: jimdinley@cityofsitka.com

The Parties shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address with at least five (5) calendar days prior written notice to the other Party. Notice shall be effective and deemed given upon actual receipt or upon the third (3rd) business day after same is sent as specified above, whichever is earlier; provided, however, notice given by facsimile transmittal shall be effective upon actual receipt and telephonic confirmation that such notice has been received in its entirety.

11. MODIFICATION OF AGREEMENT; WAIVER. This Agreement may not be modified or amended except by a written instrument signed by Seller and Purchasers. Purchasers and Seller may waive any of the conditions contained in this Agreement or any of the obligations of the other Party under this Agreement, but any such waiver shall be effective only if in writing and signed by the Party waiving such condition or obligation.

12. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, legal representatives and, subject to Section 9, assigns.

13. ENTIRE AGREEMENT. This Agreement, including any attached Exhibits, constitutes the entire agreement and understanding between the Parties, and supersedes all prior and contemporaneous agreements and undertakings of the Parties in connection with the Property, including any provisions in the Lease Agreement, related to the purchase of the Property. With the execution of this Agreement, the Lease Agreement between the Parties terminates, except for the following provisions:

4. Bauder shall construct a veterinary clinic on the Parcel [Property] with his own funds. The newly constructed clinic shall meet current City and Borough [of Sitka] building codes.

* * *

11. Bauder shall comply with all applicable laws while using the property.

No statements, agreements or understandings, representations, warranties or conditions not expressed in this Agreement shall be binding upon the Parties, or shall be effective to interpret, change or restrict the provisions of this Agreement unless such is in writing signed by both Parties and by reference made a part of this Agreement.

The terms of this Agreement are contractual and not a mere recital. The rule of construction that a document is more strictly construed against the drafter shall not apply in the interpretation of this Agreement. The purpose of this Agreement is to ensure the full, complete, and final resolution of any disputes and claims between the Seller and Purchasers regarding the subjects

discussed in this Agreement, including but not limited to the purchase of the Property, Parties' obligations and liabilities regarding the Property.

14. GOVERNING LAW. This Agreement shall be construed and interpreted in accordance with the laws of the State of Alaska. Venue for any action regarding the interpretation and enforcement of this Agreement shall be in the Superior Court for the State of Alaska at Sitka, Alaska.

15. ATTORNEYS' FEES. In the event of a dispute or controversy concerning the agreements that are the subject of this Agreement that results in litigation, the prevailing party in such litigation shall be entitled to reasonable attorneys' fees and costs as determined by the Court.

16. COUNTERPARTS; FACSIMILE SIGNATURES. This Agreement may be executed in counterparts, each of which shall be deemed an original. Each Party agrees that its signature page may be attached to an identical counterpart of this Agreement so that there are signature pages of each such Party to such counterpart of this Agreement.

17. CAPTIONS. Captions and headings throughout this Agreement are for convenience and reference only, and they shall not define, limit, modify or add to the interpretation or meaning of any provisions of this Agreement or in any way affect the scope, intent or effect of this Agreement.

18. SEVERABILITY. If any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained.

19. EXHIBITS. All exhibits attached to this Agreement are made a part of this Agreement for all purposes whatsoever.

20. SURVIVAL. All provisions of this Agreement shall survive Closing.

21. ASSEMBLY APPROVAL. This Agreement is subject to approval by the Assembly for the City and Borough of Sitka regarding its being consistent with the terms and conditions outlined and approved by the Assembly on _____, 2009. This Agreement, together with any modifications, changes, or amendments to this Agreement, cannot be enforced against the Seller unless the Assembly for the City and Borough of Sitka has approved this Agreement and any modification, changes, or amendments to this Agreement.

EXECUTED by the Parties as of the date set forth below the signature of each party, with the Effective Date of this Agreement to be the date first listed in this Agreement.

PURCHASERS

R. Burgess Bauder

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2009, personally appeared before me R. BURGESS BAUDER, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who states under oath by signing this document that he has the authority to sign the Purchase Agreement and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

Victoria Vosburg

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2009, personally appeared before me VICTORIA VOSBURG, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who states under oath by signing this document that he has the authority to sign the Purchase Agreement and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

CITY AND BOROUGH OF SITKA, SELLER

Jim Dinley, Administrator

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

On this ____ day of _____, 2009, personally appeared before me JIM
DINLEY, whose identity is personally known to me or proved to me on the basis of satisfactory
evidence, and who states under oath by signing this document that he has the authority as
Municipal Administrator for the City and Borough of Sitka to sign on its behalf, and does so
freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

6/22/2009

To: Mr. Jim Dinley,
Administrator
City and Borough of Sitka

From: Jim Corak
Assessor

RE: Land valuation, 1300 Halibut Point Road, Sitka
Burgess Bauder's lease lot. Lot 1B, Little Critter Subdivision

Dear Mr. Administrator,

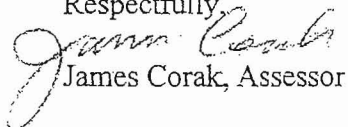
On August 20, 2007, I made a full appraisal of the above described land for the purpose of estimating market value as proposed to be developed with utilities and access provided by the City and Borough of Sitka. The value stated in fee simple interest at \$127,000. Since the water and sewer have not been extended to the lot line, and no formal access easement made, it is my opinion that the subject has a current value as is, of:

\$80,000

The reduction in value is two fold. \$40,000 is allocated for the extension of utilities and access formality, whereas, an additional \$7,000 is adjusted for the current market conditions. Therefore, the current as is value is \$80,000.

If you have any questions please contact me.

Respectfully,


James Corak, Assessor

CC: O'Connell
Bauder

4

ORD. 2006-23

MOTION, by Sherrod to authorize an amendment to the lease of a portion of Lot 7, Block 5 Northwest Addition, USS 3303 B to Burgess Bauder to allow for an apartment over the planned veterinary clinic.

Holst believes anytime we have an opportunity to add any housing units to this community we should be supporting it.

Burgess Bauder pointed out that he is leasing with option to buy. No one will pay a dime for that rental as long as he is still under a lease with the city.

MOTION, by Bailey to amend by adding in Line 31 "and non-paying guests."

Motion on the amendment PASSED on a 5-2 roll call vote with Skannes and Dapceвич voting against.

The main motion PASSED on a 6-1 roll call vote with Skannes voting against.

Item Q

ORD. 2006-25 (A-1)

Amending SGC Section 4.09.010 Entitled "Levy of Sales Tax" to impose a flat sales tax rate to be paid by fishing charter customers on the value of packaged fish and/or seafood caught or taken by fishing charter and putting the question of ratification of this sales tax levy before the voters at the regular election of October 3, 2006.

MOTION, by Stelzenmuller to approve Ordinance 2006-25 (A-1) on second reading and request a third reading.

Sherrod asked for the sponsors to review the ordinance. Dapceвич explained that one way is to provide a sticker on the box to certify the taxes have been paid. The fish processor would collect the fee. It is Dapceвич's response to an alternative to raising the sales tax.

Holst asked if we are not in a deficit budget, what is the driving force behind this ordinance. Dapceвич explained other expenses are going up and he is looking at ways to decrease the burden on the taxpayers.

Hillhouse explained they have the ability to tax true value on products that leave Sitka.

Bruce Kibble runs a 5-boat charter operation and has lived here 14 years. His clients pay taxes on everything and those taxes are passed along to the city. The average person leaves with an average of 70 lbs. of fish. How come you don't tax the commercial fishery? The law says you cannot tax sport-caught fish.

John Brooks said these resources belong to the State of Alaska and he doesn't understand how you can tax something that is run by the State of Alaska. He sends his clients to town for breakfast and dinner, they do pay taxes. Why don't you give us a percentage back for doing your paper work. He had recommended in the past to ask businesses to purchase business licenses that would be across the board and fair.

Tina McNamee owns and operates four boats and has lodging and also places guests in local hotels. Their customers stay in hotels and pay

taxes. More taxes do not always equal more revenue as it could hurt the business industry. She is pro visitors and believes this action is totally punitive to a charter business. She then read a statement from one her clients: "This is an unfair tax that nickel and dime the sport fisherman." Rick Steffay previously proposed something similar to this to Port and Harbors Commission with his initial idea of \$5 and it didn't go over well. Some of the ideas he has is resource revitalization and he doesn't think it should be charter-specified; it should be for subsistence, etc.

Linda from Angling Unlimited, an eleven year resident, is in opposition. She feels this tax is prejudice. Their clients eat out for dinner, shop locally, buy fish licenses, pay for rental cars, and rent hotels. They run eight boats, hire local contractors and they make contributions to non-profits in this town. The bottom line, if Sitka has less charter people, there will be less revenue.

Matt Donohue, a commercial fisherman, is in favor because he believes the fishery is being over harvested.

Clyde Bright sees this as a tax on sports fishermen similar to a head tax. The cruise ship lightering fee is \$500 and a charter boat carries four people so that would take 500 charter boats to equal. He doesn't see 4,000 charter people walking around town wearing out the infrastructure. The cruise passengers mostly eat on the ship and don't pay. Target lightering fees for cruise passengers instead of charter clients.

Seth Bone represents 17 families and states that their customers do pay their way. They pay tax on charters, meals etc. and shop locally. Doing something that feels punitive on people does not make people feel welcome here.

Bob Chevalier urged the assembly to look at the overall economic envelope.

Evy Gruder believes the fish box tax is reasonable.

Sue Riggs stated that her husband has been both a commercial and charter fisher. She does think that charter fishers do pay their way. Her question is who is going to enforce this? She thinks there is a lot of prejudice in Sitka, a lot of people don't like tourists, but I say come on. You need to tell your clients up front what those costs are going to be; not doing so would be false advertising.

Motion FAILED on a 3-4 roll call vote with Holst, Skannes, Bailey and Sherrod voting against.

X. ADJOURNMENT:

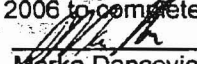
The meeting automatically adjourned at 11:30 p.m.

SCHEDULED MEETING:

Four of the assembly members present called a special meeting for Thursday at 7:00 p.m. June 29, 2006 to complete tonight's agenda items.

ATTEST:


Colleen Pellett, MMC
Municipal Clerk


Marko Dapceovich, Mayor

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BUILDING PERMIT

FEE RECEIPT NO. _____ PERMIT NO. 06311

PLEASE FILL OUT COMPLETELY

OWNER	<u>Burgess Bauder</u>	MAILING ADDRESS	<u>Box 277</u>
PROJECT ADDRESS	<u>LOT 1B</u>	¹³⁰⁰ <u>MPR</u>	ZONING <u>R-2</u> OCCUPANCY <u>Blu/ R3</u>
CONTRACTORS:	GENERAL <u>Owner</u>	PLUMBING <u>Reif</u>	ELECTRICAL <u>Baranof</u>
	LICENSE _____	LICENSE _____	LICENSE _____
BUILDING <input checked="" type="checkbox"/>	ELECTRICAL <input type="checkbox"/>	PLUMBING <input type="checkbox"/>	DEMOLITION <input type="checkbox"/> GRADING <input type="checkbox"/>
TOTAL SQUARE FOOTAGE:	<u>1</u> sq <u>3,364</u>	ELECTRICAL SERVICE AMPERAGE:	_____
PROJECT VALUE:	<u>\$239,840.40</u>	CONTACT PHONE NUMBER:	<u>738-7497</u>

THE OWNER OR APPLICANT IS RESPONSIBLE FOR:

1. As Built Survey prior to framing.
2. Corps of Engineers Permit for all construction on tidelands or wetlands.
3. Application for Sanitary Waste Disposal Permit (Dept. of Environmental Conservation).
4. State of Alaska Highway Driveway Permit.
5. Compliance, if applicable, with National Flood Insurance Program.
6. Driveway culvert, corrugated metal pipe, 12" min. dia. 20' min. to 40' max. length.
7. All multi-family, commercial or industrial structures must have an approved automatic fire suppression system per Sitka General Code, Ordinance 88-795.

IMPORTANT: ALL WORK MUST BE INSPECTED PRIOR TO CONCEALMENT. THE BUILDING OFFICIAL REQUIRES A MINIMUM ONE WORKING DAYS NOTICE PRIOR TO ALL INSPECTIONS.

I HEREBY ACKNOWLEDGE that I have read this application, and state the above is correct and agree to comply with all State laws and Codes and Ordinances of the City and Borough of Sitka.

Owner's/Applicant's Signature Burgess Bauder Date 9/15/06

*****OFFICE USE ONLY*****

Administrator _____ Corps of Engineer's No. _____ D.E.C. No. _____ Electrical _____
 Planning SR10-1706 Public Works _____ State or City Fire Marshal _____

COMMENTS:
 + CONSTRUCT UTILITY CLINIC w/ ATTACHED GARAGE +
 2-STORY APARTMENT ABOVE

APPROVED FOR CONSTRUCTION
John Ristog
 BUILDING OFFICIAL

ORIGINAL