

John A. Deane, Jr.
President, 1971-1972

ACCEPTED By _____
For the MUNICIPALITY _____
Title: _____
Date: _____

STATE OF ALASKA

**DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES**

FRANK H. MURKOWSKI, GOVERNOR

6860 Glacier Highway
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**SOUTHEAST REGION – PRECONSTRUCTION
RIGHT OF WAY & UTILITIES**

May 5, 2006

Re: North Harbor
PSG02-003

Mr. Bruce Jones
City of Petersburg
PO Box 329
Petersburg, AK 99833

Dear Mr. Jones,

Enclosed is a fully executed copy of the Bill of Sale for North Harbor. Thank you for your patience in getting the original to me. I have safely added it to the Petersburg Harbors file.

Sincerely,


Diane Powell
Property Manager

Enclosure

"Providing for the movement of people and goods and the delivery of state services."

TRANSFER PROJECT AGREEMENT

This transfer agreement is made between the State of Alaska, Department of Transportation and Public Facilities ("the State") and the City of Petersburg, Alaska ("the Municipality"). The State and the Municipality enter into this agreement under the authority of AS 35.10.120.

WHEREAS, the State has constructed harbor facilities which have been operated and maintained by the Municipality since construction, more particularly described below ("the harbor facilities");

WHEREAS, the Municipality owns or is eligible to own, subject to approval of the Department of Natural Resources, management authority of the tidelands beneath the harbor facilities;

WHEREAS, the State desires to transfer the harbor facilities to the Municipality;

WHEREAS, the Municipality desires to acquire ownership of the harbor facilities from the State;

WHEREAS, the Alaska Legislature appropriated funds to pay for the deferred maintenance of the harbor facilities; and

WHEREAS, it is in the interest of the State, the Municipality, and the public to transfer ownership of the harbor facilities to the Municipality;

NOW THEREFORE, in consideration of the mutual promises in this agreement, the State and the Municipality agree to transfer ownership of the harbor facilities from the State to the Municipality as follows:

1. Governing Provisions: The laws of the State of Alaska shall govern this transfer agreement.
2. Transfer of Harbor Facilities: The State shall transfer, by bill of sale, all of its right, title, and interest in the harbor facilities described below. The Municipality agrees to accept the interests that the State transfers. The interests in harbor facilities are more particularly described as:

ANY and ALL personal property that the STATE owns or has interest in including, but not limited to docks, flotation devices, dolphins, piers, approaches and approach ramps, gridirons, launching ramps, bulkheads, walkways, and any and all other related personal property whatsoever located in: the North Harbor, all within Alaska Tidelands Survey 9, located within the exterior boundaries of Section 27, Township 58 South, Range 79 East, Copper River Meridian, Petersburg Recording District, 1st Judicial District, Alaska, ("the harbor facilities"), as shown on Attachment A.
3. Warranties and Condition of Facilities: The State makes no warranties, express or implied, regarding the condition of the harbor facilities transferred or their suitability for continued public use. The State transfers the harbor facilities "as is, where is." The Municipality has inspected the harbor facilities and accepts the harbor facilities in their existing condition without any warranty from the State of their condition or suitability for continued public use.
4. No Subsequent Transfer: The Municipality agrees, covenants and warrants that it shall

not transfer title to or control of the harbor facilities without the prior written approval of the State. The Municipality further agrees, covenants and warrants that any transfer title to or control of the harbor facilities without the prior written approval of the State of will be void and of no effect.

5. Deferred Maintenance Funds: The Alaska Legislature has appropriated the sum of \$2,500,000.00 to perform repairs and upgrades upon the harbor facilities (the "project"). The State shall pay the funds (less State direct and indirect costs, currently 1%) to the Municipality upon the execution by the Municipality and the State of this agreement.
6. Record Keeping: The Municipality shall retain for a period of three years after completion of the project all contracts, invoices, materials, payrolls, personnel records, conditions of employment, and other data relating to matters covered by the Transfer Agreement project work. The Municipality shall insert a clause in any contracts with third-party contractors also requiring a three-year retention schedule. Such materials shall be made available for review, inspection, and copying upon the State's request.
7. Public Purpose: Upon conveyance of the State's interest, the Municipality shall operate and maintain the harbor facilities for the use and benefit of the public. In the event the Municipality fails or ceases to administer, maintain, and operate the harbor facilities as public facilities, title to the harbor facilities shall revert to the State of Alaska, if, but only if, the State of Alaska elects to reassume title.
8. Approvals and Permits: The Municipality shall coordinate all regulatory agency reviews and obtain all necessary written approvals from all governmental agencies having jurisdiction when operating, managing, performing maintenance upon or undertaking any other activities on the harbor facilities. The State shall notify the U.S. Army Corps of Engineers of the conveyance of the State's interest and coordinate the transference of existing Corps of Engineers permits to the Municipality.
9. State Held Harmless: The Municipality agrees to indemnify, defend, and hold harmless the State and the State's officers, agents, and employees from and against any and all suits, causes of action, claims, damages, losses, and expenses whatsoever relating to the Municipality's ownership, management, operation, and maintenance of the harbor facilities, including deferred maintenance, that arise on or after the date of this agreement.
10. Third-Party Contractors: If the Municipality contracts with third-party contractors for planning, design, or construction with regard to deferred maintenance on the harbor facilities using funds appropriated by the Alaska Legislature, the Municipality shall select the contractors using competitive procurement principles consistent with the State Procurement Code, AS 36.30 . The Municipality shall require third-party contractors to comply with all the applicable federal, state, and local laws, including but not limited to AS 36.05 (wages and hours of labor), AS 36.10 (employment preference), AS 36.15.010 through 36.15.050 (forest products preference) and AS 36.25 (contractor's bonds).
11. The Municipality shall provide the State with documentation, if requested, to verify compliance with the terms of the agreement.

This agreement entered into as of the day and year written below:

Bruce R. [Signature]
Municipality
By Its Duly Authorized Officer or Representative

November 14, 2005
Date

State of Alaska
1st Judicial District

Subscribed and sworn to before me this 14th day of November, 2005.



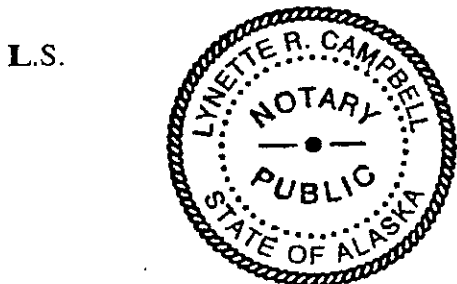
Kathy O'Rear
Notary Public
My Commission expires: 9-15-2008

M. C. Neuzell
Alaska Department of Transportation & Public Facilities

12/13/05
Date

State of Alaska
First Judicial District

Subscribed and sworn to before me this 13th day of December, 2005.



Lynette R. Campbell
Notary Public
My Commission expires: 2/16/08

PETERSBURG

ATTACHMENT A

OPERATED BY: CITY OF PETERSBURG
HARBORMASTER: MONITOR CHANNEL 16 VHF, WORKING CHANNEL 9 VHF,
PHONE 772-4688

DISTANCE FROM CITY CENTER: AT CENTER
BERTHING FEES: CONTACT HARBORMASTER FOR CURRENT FEES
TRANSIENT MOORAGE: CONTACT HARBORMASTER

LIGHTING ON FLOAT: YES

POWER ON FLOAT: YES

POTABLE WATER ON FLOAT: YES, ON MAIN FLOATS

GRID FACILITIES: CONTACT HARBORMASTER FOR USE FEES

MAXIMUM ALLOWABLE LOAD = 3 TON PER BENT

GRID BENT SPACING = 8'-0" ON CENTER

POWERWASHER

MARINE WAYS: RAILWAY HAUL OUT TO 150 FOOT LENGTH, 1/2 MILE
SOUTH OF HARBORS

REPAIR FACILITIES: FLOATING MACHINE SHOP IN HARBOR AREA,
UPLAND SERVICES

LODGING AVAILABLE: MOTEL AND HOTEL IN BUSINESS DISTRICT

GROCERY/RESTAURANT: YES, BOTH AVAILABLE

FUEL AVAILABLE: 1/4 MILE SOUTH OF HARBOR, UNION & WHITE PASS

OIL NEAR PORT DOCK FACILITY.

OFTEN STRONG CURRENT AT FUEL DOCK

COMMUNICATIONS: PAY PHONES AT HARBORMASTER'S OFFICE

HARBOR SERVICES: BOAT MOVING, TOWING, PUMPING

BULK GARBAGE DISPOSAL

OIL DISPOSAL

REMARKS: LAUNDROMAT 1 BLOCK, LAUNCH RAMP FEE

CAPACITY: 128 VESSELS

