

INSTRUCTIONS: Please strike inappropriate words, "Owner/Lessor/Lessee/Optionee," and initial such deletions.

PROPERTY MANAGEMENT AGREEMENT

This PROPERTY MANAGEMENT AGREEMENT, dated the 30th day of January, 1989, by and between CITY OF THORNE BAY, whose address is No. 1 Freeman Dr., P. O. Box 19110, Thorne Bay, AK 99919 (hereinafter with its successors and assigns called "Grantee"); STATE OF ALASKA, DEPT. OF NATURAL RESOURCES, whose address is Pouch 7-005, Anchorage AK 99510 (hereinafter with its successors and assigns called "Owner/Lessor"); and the ECONOMIC DEVELOPMENT ADMINISTRATION, UNITED STATES OF AMERICA, whose address is Herbert C. Hoover Building, Washington, D.C. 20230 (hereinafter with its successors and assigns called "EDA"):

DEFINITIONS:

1. "Grantee/Owner" includes:

(a) Any grantee under Titles I, IV, IX, or X of the Public Works and Economic Development Act of 1965, as amended (hereinafter referred to as the "Act"), or Title II, Chapter IV, of the Trade Act of 1974.

(b) The owner (lessor, ~~lessee, optionee, or~~ ~~appropriate~~) of:

(1) real property on which a project facility is or will be located, or

(2) real property developed by the project in order to sell, lease or otherwise convey it for a specific purpose.

2. "Real property" means any land, improved land, structure, appurtenances thereto, or other improvements, excluding movable machinery and equipment. Improved land also includes land which is improved by the construction of such facilities as roads, sewers, and water and gas lines which are not situated directly on the land but which improve such land.

3. "Sell" and its derivatives shall include any conveyance or transfer of any interest in the real property, including, but not limited to, renting or leasing such real property.

RECITALS:

WHEREAS, Grantee submitted an application, designated as EDA Project No. 07-11-03070, for financial assistance pursuant to the Public Works and Economic Development Act of 1965, as amended (P.L. 89-136, 42 U.S.C. 3121, et seq.); and

WHEREAS, said Project included acquisition of and/or specifically improving the real property described in Exhibit "A" attached hereto and incorporated herein at this point as though set forth in full; and

WHEREAS, as of the date hereof, the Owner/Lessor of the real property described in Exhibit "A" attached hereto agrees to comply with the applicable requirements of 13 Code of Federal Regulations Part 314, as amended; and

WHEREAS, the grant funds will be used for the construction or rehabilitation of buildings or recreational facilities; and

WHEREAS, the Grantee and Owner/Lessor of all or part of the real property described in Exhibit "A" attached hereto agreed to record these agreements in the appropriate office for the recording of public records affecting real property in Thorne Bay, Alaska so as to constitute notice to all persons of any and all restrictions on title to and use of the Project and, if applicable, all or part of the real property described in Exhibit "A" attached hereto; and

WHEREAS, the Ketchikan Recording District, located at 334 Front Street, Ketchikan, AK is the proper office to record these agreements.

NOW THEREFORE, in consideration of financial assistance rendered and/or to be rendered by EDA and of other good and valuable consideration, the receipt and adequacy of which the parties hereby acknowledge, and to assure that the benefits of the Project will accrue to the public and be used as intended by both EDA and the Grantee, the Grantee and Owner/Lessor hereby covenant and agree as follows:

1. The expected useful life of the Project is twenty (20) years as determined by Jack D. Beedle, a Registered Professional Engineer, [see 13 CFR 314.6 (a)]. for the State of Alaska, Dept. of Transportation & Public Facilities (See Exhibit B attached hereto)
2. During its expected useful life the Project shall not be used for other than the purposes for which the Project was financed by EDA, as stated in the applicaiton, unless the prior written approval of the Assistant Secretary is obtained.
3. The real property acquired as a part of the Project or specifically improved and included as a part of the Project, as described in Exhibit "A" attached hereto, and including any interest therein, shall not be sold, leased, transferred, conveyed or mortgaged without the prior written consent of the Assistant Secretary.
4. Whenever real property is sold, leased or otherwise conveyed pursuant to 13CFR 314.3(a)(1), the transferor shall add to the document conveying such interest a covenant, which has been previously approved by the Assistant Secretary, prohibiting the use of such property for any purpose other than the general and special purpose of the Grant as determined by the Assistant Secretary. The instrument containing this covenant shall be recorded in the pertinent county public records affecting real property or filed with the appropriate office in the Bureau of Indian Affairs in the case of Indian Projects.

IN WITNESS WHEREOF, the parties have hereunto set their hand as of the day and year first above written by their duly authorized officer.

CITY OF THORNE BAY
 Grantee
 By Samuel A. Wagner
 Title: Mayor

Attest: Scott Clark, City Clerk



ATTEST:

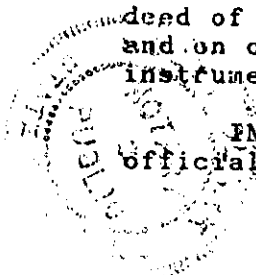
By Scott Clark

Title: CITY CLERK

STATE OF ALASKA)
) ss.
~~COUNTY OF~~ FIRST JUDICIAL DISTRICT)

On this 30th day of January, 1989,
before me, personally appeared Daniel A. Wagner, known
to me (or proved to me on the oath of _____)
to be Mayor of Thorne Bay, Alaska, a political
(Title of Officer) (Name of private or public
subdivision
corporation, state agency, political subdivision or Indian tribe)

the entity that executed the within and foregoing instrument, and
acknowledged the said instrument to be the free and voluntary act and
deed of said entity, for the uses and purposes therein mentioned,
and on oath stated that he/she was authorized to execute said
instrument.



EXPIRES
10-29-91

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal the day and year first above written.

Scott Clark
Notary Public in and for the State of
Scott Clark, residing
at Thorne Bay, Alaska

DAW
Owner/Lessor

ATTEST:

By KATHLEEN SHEEHAN DUGAN

Title: NATURAL RESOURCES OFFICER

STATE OF ALASKA)
) ss.
~~COUNTY OF~~ THIRD JUDICIAL DISTRICT)

On this 3rd day of APRIL, 1989,
before me, personally appeared RICHARD A. LEFEBVRE, known
to me (or proved to me on the oath of _____)
to be DEPUTY DIRECTOR of DIV. OF LAND & WATER,
(Title of Officer) (Name of private or public
DEPT. OF NATURAL RESOURCES, STATE OF ALASKA
corporation, state agency, political subdivision or Indian tribe)

the entity that executed the within and foregoing instrument, and
acknowledged the said instrument to be the free and voluntary act and
deed of said entity, for the uses and purposes therein mentioned,
and on oath stated that he/she was authorized to execute said
instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal the day and year first above written.

Kathleen S Dugan
Notary Public in and for the State of
EXPIRES - 1-6-92
ALASKA, residing
at ANCHORAGE, ALASKA



EXHIBIT A

BOOK 0166 PAGE 690

That parcel of land which is situated in the State of Alaska and is described as follows:

Alaska Tidelands Survey 1361, located within Section 27, Township 71 South, Range 84 East, Copper River Meridian and contains 17.641 acres more or less, according to the survey plat filed in the Ketchikan Recording District on November 18, 1988 as plat no. 88-37.

EXHIBIT B

EDA PROJECT NO. 07-11-03070
THORNE BAY CITY DOCK

PROJECT USEFUL LIFE

All timber materials will be preservative treated according to the American Wood-Preservers' Association Standard C18, STANDARD FOR PRESSURE TREATED MATERIAL IN MARINE CONSTRUCTION.

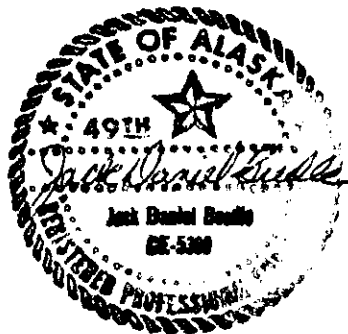
All steel hardware and weldments will be hot dip galvanized.

All flotation billets will be protective coated with a 50 mil thickness of 100% solids polyurethane.

Based on the above information and on my eleven years of actual experience with the design and reconstruction of boat harbors in the State of Alaska and a review of over thirty years of boat harbor records of the State of Alaska Department of Transportation and Public Facilities, I estimate that the useful life of this facility will be twenty years.

Certified By Jack D. Beedle

Date 1/19/89



89-1930

22-

RECORDED-FILED
KETCHIKAN REC.
DISTRICT

APR 18 11 55 AM '89

REQUESTED BY City of

ADDRESS Thorne Bay