

**PETERSBURG BOROUGH
RESOLUTION #2026-07**

**A RESOLUTION OF THE PETERSBURG BOROUGH ASSEMBLY APPROVING THE
SALE OF TWO BOROUGH-OWNED PARCELS TO 13 RENTALS LLC**

WHEREAS, the Petersburg Borough is the owner of real property identified as: Lot 5, Block 78, Southeast Addition, Plat No. 69-202, USS 1252 (Parcel ID 01.006.320, located at 807 Haugen Drive), and Lot 6, Block 78, Southeast Addition, Plat No. 69-202, USS 1252 (Parcel ID 01.006.321, located at 805 Haugen Drive) (cumulatively, “the parcels”); and

Whereas, the parcels have a total FY 2026 assessed value of \$61,800.00 (Lot 5: \$31,600.00 and Lot 6: \$30,200.00); and

WHEREAS, on April 7, 2025, application was made by Dave Ohmer to purchase the parcels in order to construct a residential duplex on each parcel to address the shortage of available rental housing in Petersburg; and

WHEREAS, following submittal of the application, Mr. Ohmer created a limited liability company, 13 Rentals LLC, of which he is the sole member, to purchase and hold the parcels;

WHEREAS, on July 8, 2025, the Planning Commission held a public hearing on the application and recommended approval of the requested purchase; and

WHEREAS, the Borough Assembly, on October 20, 2025, approved and advanced the application, authorizing direct negotiations for the sale of the parcels, with the final terms subject to Assembly approval; and

WHEREAS, thereafter, the Borough Manager negotiated the terms and conditions for purchase of the parcels, which are memorialized in a proposed Contract of Sale attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, the Borough Assembly determines that the parcels are not required for a municipal purpose and finds that the proposed sale of the parcels to 13 Rentals LLC supports the goal of developing additional housing in the community; and

WHEREAS, Petersburg Municipal Code 16.12.160C, provides that the disposal of borough property with an assessed value of \$250,000 or less be authorized by resolution of the Assembly.

NOW, THEREFORE, BE IT RESOLVED by the Petersburg Borough Assembly as follows:

Section 1. The Assembly hereby approves the sale of the parcels -- Borough-owned Lot 5, Block 78, Southeast Addition, Plat No. 69-202, USS 1252 (01.006.320), and Lot 6,

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Block 78, Southeast Addition, Plat No. 69-202, USS 1252 (01.006.321) – to 13 Rentals LLC, pursuant to the terms and conditions contained in the attached Contract of Sale.

Section 2. The Borough Manager is authorized to execute the Contract of Sale and any associated closing documents, deeds, disclosures, or agreements necessary to complete the conveyance of the parcels to the Buyer.

Section 3. This resolution shall take effect immediately upon adoption.

PASSED and APPROVED by the Assembly of the Petersburg Borough, Alaska this 13th day of April 2026.

Jeigh Stanton Gregor, Vice Mayor

ATTEST:

Rebecca Regula, Borough Clerk

Exhibit A

CONTRACT OF SALE

This contract of sale (“agreement”), effective as of the date of the last signature below (“the effective date”), is made by and between the Petersburg Borough, P.O. Box 329, Petersburg, Alaska, 99833, hereinafter "Seller", and 13 Rentals LLC, PO Box 13, Petersburg, Alaska 99833, hereinafter "Buyer". Seller and Buyer are collectively referred to hereinafter as "the parties."

Recitals

- A. The Petersburg Borough, as successor-in-interest to the City of Petersburg, is the owner of the following described parcels, located in the Petersburg Recording District, First Judicial District, State of Alaska:

 - Lot 5, Block 78, Southeast Addition, Plat No. 69-202, USS 1252 (01.006.320), and
 - Lot 6, Block 78, Southeast Addition, Plat No. 69-202, USS 1252 (01.006.321)
 (individually a “parcel” and collectively, the "parcels")
- B. Buyer has requested to purchase the parcels to construct a residential duplex on each parcel, to address the shortage of available rental housing in Petersburg.
- C. As part of this development, Buyer will be required to install and construct certain utility extensions.
- D. The improvements will consist of installation of electric, water and sewer utilities, and driveways and driveway culverts to and for the parcels, as more specifically described in paragraph 4 below (cumulatively, the "utility improvements").

Therefore, Seller hereby agrees to sell and convey, and Buyer agrees to purchase, the parcels upon the following terms and conditions and those set out in Petersburg Borough Assembly Resolution #2026-07 , incorporated herein by reference:

- 1. Purchase Price. The total purchase price for the parcels is \$61,800.00 ("the purchase price"). This purchase price equals the total of the 2026 assessed values of the parcels (Lot 5: \$31,600.00 + Lot 6: \$30,200.00).
- 2. Payment of Purchase Price. A deposit equal to a minimum of five percent (5%) of the purchase price shall be paid to Seller within five (5) business days of the effective date. The balance of the purchase price shall be paid in full to the Seller within ninety (90) calendar days of the effective date. Buyer is responsible for all other costs of sale or closing of the transaction, including costs set out in Petersburg Municipal Code (PMC) 16.12.090.

All payments shall be made at the Borough Finance Office, PO Box 329, 12 S. Nordic Drive, Petersburg, Alaska in readily available funds.

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If Buyer defaults, by either failing to timely make the required deposit or by failing to timely pay the balance of the purchase price, any deposit made by Buyer shall be forfeited to Seller and Buyer shall have no further interest in or to the parcels, or right to purchase the parcels. This section is not intended to limit any other legal remedy available to the Seller.

3. Conditions of Sale. The parties acknowledge and agree that the conveyance of the Borough-owned real property described herein is being made through direct negotiation, and not by public auction, in reliance upon Buyer's representations that (a) a residential duplex shall be constructed on each parcel, and (b) such development shall commence no later than five (5) years following the effective date of this agreement.

a. In the event that development has not commenced with respect to a parcel within said five-year period, Seller shall have the absolute right, but not the obligation, to repurchase that parcel, at Seller's sole discretion, for a price equal to the original purchase price specified herein, less ten percent (10%).

b. For purposes of this agreement, development shall be considered to have commenced on a parcel if the following events have occurred: (i) all utility improvements described in Paragraph 4 of this agreement have been installed and formally accepted by the Borough in accordance with applicable standards and procedures, and (ii) a building permit (including foundation, structure, electrical, and plumbing) has been issued by the borough building official for construction of a duplex.

c. Upon Seller's exercise of its repurchase right and tender of the repurchase price, Buyer relinquishes all right, title, and interest in and to the parcel(s) repurchased by the Seller, and fee simple title to such parcel(s) shall automatically vest in Seller, free and clear of any right, claim, or interest of Buyer, without the necessity of further action by either party except Buyer is obligated to and shall execute and deliver to Seller such instruments as may be reasonably required to effectuate recordation of Seller's title in the repurchased parcel(s).

4. Installation and Acceptance of Utility Improvements. Buyer shall construct and install the utility improvements as set out below, at Buyer's sole expense.

a. **Water:** Water service lines shall be extended to each parcel with curb stop valves located at the property lines. During installation, Buyer must comply with Borough Public Works requirements to protect and preserve the water main, including the attached water main protection procedures.

b. **Sewer:** Sewer service shall be extended to each parcel under an Public Works-approved sewer plan utilizing the available lateral. The plan shall include pipe routing, depth and cleanout provisions for both parcels.

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c. Electrical: Electrical service drops shall be installed for each parcel per the requirements of Petersburg Municipal Power and Light.

d. Driveways and driveway culverts: Driveways and driveway culverts (no less than eighteen inches (18") in diameter) shall be installed per any applicable requirements and standards of the Borough and the State of Alaska.

All utility improvements shall conform to applicable federal, state or borough standards. Borough inspections during or upon completion of installation of the utility improvements are to be conducted per the Petersburg Municipal Code.

5. Parcels Sold in their Present Condition. The parcels are sold "as is, where is", in their current condition and with all faults as of the effective date. Buyer has entered into this Contract of Sale relying solely upon information and knowledge obtained from Buyer's own investigation and/or inspection of the parcels. The Seller expressly makes no representations regarding, and disclaims any liability for, the parcels, and any improvements located thereon, including without limitation (1) the condition of the parcels and the existence or condition of any improvements located thereon; (2) the exact location or size of the parcels, the existence of markers on the parcels, or the ability or cost of surveying the parcels; (3) the status or insurability of title to the parcels, including the existence of any liens, encumbrances or conditions on the parcels; (4) the ability of the Buyer to utilize the parcels or any improvements in any fashion and for any particular purpose or use; (5) any zoning of the parcels; and (6) the existence, or the potential for installation, of any utility on or to the parcels. The parcels are sold subject to all platted easements, rights-of-way and reservations, and all liens, encumbrances, and conditions, of record or not of record, including but not limited to matters which would have been disclosed by a survey or physical inspection of the parcels. Seller makes no representations, warranty or guarantees, express or implied, as to quality, merchantability or suitability of the parcels for a particular purpose or use. Closing of the purchase hereunder will constitute an acknowledgment by Buyer that Seller is relieved from all responsibility and liability for the condition of the parcels.

6. Conveyance. Conveyance of the parcels to Buyer shall be by one quitclaim deed, upon payment of the full purchase price. The parties acknowledge that the parcels will not be conveyed separately, and that Buyer is required under this Contract of Sale to purchase both parcels together in a single transaction. Seller is not obtaining title insurance for the parcels. If Buyer desires to obtain title insurance, Buyer may do so at Buyer's own expense.

7. Entire Agreement. This Contract of Sale is fully integrated and sets forth the entire understanding and agreement of the parties with respect to the purchase and sale of the parcels. This Contract of Sale supersedes any and all prior negotiations, discussions, agreements, and

Exhibit A

understandings between the parties with respect to the subject matter hereof.

8. Amendment. This Contract of Sale may not be modified, amended or subjected to a novation except by a written agreement executed and delivered by both Seller and Buyer.

9. Interpretation. Both Buyer and Seller have had an opportunity for independent counsel to review and modify the Contract of Sale. The rule of construction to the effect that any ambiguities are to be strictly construed against the drafter shall not apply to any interpretation of this agreement. The captions in this Contract of Sale are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this agreement of any of the provisions of this agreement.

10. Assignment. Buyer may not assign Buyer's rights, obligations or interest in this Contract of Sale to any other person or entity without first obtaining the prior written consent of the Seller, to be granted at Seller's sole discretion.

11. Notices. Any notices or communications required or permitted to be given under this Agreement, including any written notice of termination of this Agreement, shall be given in writing and shall be delivered (i) in person, (ii) by certified mail, postage prepaid, return receipt requested, or (iii) by electronic mail. Such notices shall be addressed as follows:

To Seller:

c/o Borough Manager
PO Box 329
Petersburg, Alaska 99833
Email: sgiesbrecht@petersburgak.gov

To Buyer:

13 Rentals LLC
PO Box 13
Petersburg, Alaska 99833
Email: ohmer13@hotmail.com

Any such notice or communication shall be considered given or delivered, as the case may be, on the date of personal delivery, three (3) days after deposit in the United States mail, or in the case of email transmission, upon the date sent, provided the party has proof of such sending. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice or communication. Either party may at any time change its contact information by giving notice hereunder.

12. Severability. If any provision of this agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this agreement shall nonetheless remain in full force and effect so long as the intent of the parties can be reasonably accomplished thereby.

13. Captions. The captions in this agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this agreement or any of its provisions.

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14. Governing Law/Waiver of Jury Trial. This agreement shall be governed by, and construed in accordance with, the laws of the State of Alaska. The parties hereby waive any and all right to a trial by jury in any action or proceeding brought in connection with this agreement, and consent to the jurisdiction of the courts of the State of Alaska, located in Petersburg, Alaska.

15. No Joint Venture; No Third Party Beneficiaries. This agreement shall not be construed or interpreted to create a partnership or joint venture between the parties. The provisions of this agreement are and will be for the benefit of the Seller and Buyer only and are not for the benefit of any third party. Accordingly, no third party shall have the right to enforce any provision of this agreement.

16. Attorney Fees. If either party shall commence a legal proceeding for any relief against the other, declaratory or otherwise, arising out of this agreement, the prevailing party shall be awarded, in addition to any other relief, a reasonable sum as attorney fees.

17. Counterparts and Electronic Mail Signatures. This Agreement may be executed and delivered in one or more counterparts. Each such counterpart shall be deemed an original instrument, but all such counterparts together shall constitute one agreement. Signatures on documents forwarded by electronic mail are intended to be the equivalent of original signatures.

IN WITNESS WHEREOF the parties have hereunto executed this Agreement.

SELLER: Petersburg Borough

BUYER: 13 Rentals LLC

By: Stephen Giesbrecht
Its: Borough Manager

By: Dave Ohmer
Its: Member

Date: _____

Date: _____