

## RESOLUTION 18-18

### **A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE BOROUGH MAYOR TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH HOVERLINK, LLC**

**WHEREAS**, the Aleutians East Borough (Borough) owns a Kvichak Marine Industries built BHT-150 Hovercraft named SunaX (vessel) and spare parts and materials located at its hangar in Akutan, Alaska; and

**WHEREAS**, the vessel has been certified and operated as a USCG Subchapter "T" boat carrying passengers between the communities of King Cove and Cold Bay and between the Akutan Airport on Akun Island and the community of Akutan; and

**WHEREAS**, on November 20, 2017 JSC "Circle Maritime Invest" (COC) issued a Letter of Intent to purchase the vessel and related spare parts and materials for \$4,275,000; and

**WHEREAS**, the offer was contingent upon a return for credit option after 28 months of operations under agreement with end Client in Kazakhstan, to be accepted at 50% of the original sale price, less any spares associated with this purchase consumed or as otherwise negotiated in the Purchase and Sale Agreement ("return for credit option"); and

**WHEREAS**, COC and the Borough verbally negotiated and agreed upon a sale price of \$4,440,000.00 for the Hovercraft SunaX and related spare parts and materials with the return for credit option by the Borough or its agent contingent upon Assembly approval; and

**WHEREAS**, the Borough has no interest in exercising the return for credit option; and

**WHEREAS**, Hoverlink, LLC has expressed interest in assuming the responsibility to exercise the return for credit option on the Borough's behalf; and

**WHEREAS**, in exchange for Hoverlink, LLC assuming the return for credit option risk the Borough would pay \$200,000.00 to Hoverlink, LLC; and

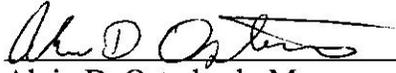
**WHEREAS**, once the Borough and Hoverlink, LLC enter into an agreement the Borough is removed from the return for credit option; and

**WHEREAS**, it is expressly understood that the agreement with Hoverlink is contingent on a fully executed Purchase and Sale agreement between the Borough and COC.

**NOW THEREFORE, BE IT RESOLVED**, the Aleutians East Borough Assembly hereby authorizes the Borough Mayor to negotiate and execute an agreement with Hoverlink, LLC to transfer the responsibility of the return for credit option with COC from the Borough to Hoverlink, LLC; and

**NOW BE IT FURTHER RESOLVED**, upon execution of an agreement with Hoverlink, LLC the Assembly authorizes the payment of \$200,000.00 to Hoverlink, LLC.

**PASSED AND ADOPTED** by the Aleutians East Borough on this 14<sup>th</sup> day of December, 2017.

  
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Alvin D. Osterback, Mayor

ATTEST:

  
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Tina Anderson, Clerk