

PURCHASE AGREEMENT

This Purchase Agreement (hereinafter the "Agreement") is made by and between Jonas Ridge, LLC, an Alaska Limited Liability Company, whose address is 203 West Pioneer Ave Suite 2, Homer, Alaska 99603, (hereinafter referred to as "SELLER") and the KENAI PENINSULA BOROUGH, an Alaska municipal corporation, as buyer whose address is 144 North Binkley Street, Soldotna, Alaska 99669 (hereinafter referred to as "KPB").

WHEREAS, SELLER is the owner of that real property located in the Kenai Recording District, Third Judicial District, State of Alaska, and more particularly described as follows:

TRACT A, CHAMERLAIN & WATSON SUBDIVISION, PLAT OF TRACT "A", ACCORDING TO PLAT NO. 75-63, IN THE HOMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA.
(PARCEL NO. 175-143-04)

WHEREAS, KPB has offered to buy, and SELLER is willing to sell the Property as evidenced by this Agreement; and

NOW THEREFORE, in consideration of the conditional promises herein contained, SELLER hereby agrees to sell to KPB, and KPB hereby agrees to buy from SELLER, the Property on the terms and conditions as set forth below:

1. PURCHASE PRICE

The purchase price of the Property is Nine Hundred and Fifty-Five Thousand Dollars and NO cents (\$955,000.00). The purchase price shall be paid by KPB at time of closing. The purchase of the property and appropriation for the purchase are subject to approval by the Borough Assembly.

2. EXPIRATION OF OFFER

SELLER shall sign and return this Purchase Agreement to KPB on or before September 22, 2021 otherwise this offer shall terminate.

3. TITLE

Title shall be delivered at time of closing by Statutory Warranty Deed, which shall be issued to KPB. SELLER warrants and covenants that at the time of closing there shall be no liens or judgments recorded against SELLER in the same recording district in which the Property subject to this purchase agreement is situated. Title shall be clear of liens and encumbrances except title is subject to reservations, easements, rights-of-way, covenants, conditions and restrictions of record as agreed to by buyer.

6. ESCROW AND CLOSING COSTS

Except as described in this paragraph, in addition to the purchase price, KPB agrees to pay for buyer related closing costs in connection with this Agreement. SELLER agrees to pay for seller related closing costs including the owner's policy of title insurance. Property taxes for the current year, if any, will be prorated the date of closing. SELLER is responsible for Realtor's commission, if any, all unpaid taxes for prior years, if any, and all unpaid outstanding assessments, if any. All costs will be paid in full at the time of closing.

7. CLOSING

Unless otherwise agreed in writing, closing will occur within 180 days, or as specifically agreed to by both parties. At closing, KPB will pay the balance of the purchase price. Both parties will execute all documents required to complete the Purchase Agreement and, if applicable, establish an escrow account.

8. POSSESSION

Possession shall be delivered to KPB at time of recording unless otherwise agreed to in writing by all parties.

9. KENAI PENINSULA BOROUGH ASSEMBLY APPROVAL

Purchase of the Property by the Kenai Peninsula Borough is subject to authorization by the Kenai Peninsula Borough Assembly and appropriation of funds. If the Kenai Peninsula Borough Assembly fails to authorize the purchase of the subject land and appropriate funds, this Agreement shall be terminated without penalty.

10. DISCLOSURES

SELLER hereby agrees to provide property disclosures including any and all information regarding known defects, deficiencies, legal matters, environmental issues or hazards, that may be personally known by the seller in writing. If said disclosure presents a matter unsatisfactory to the buyer, KPB may terminate this agreement without penalty.

11. CONTINGENT ON INSPECTION

This offer and agreement is contingent upon the completion of a property inspection satisfactory to KPB for its use and at KPB's expense. SELLER shall, upon reasonable notice, provide access to the property for inspection purposes to KPB and its representatives. Any invasive inspection procedures shall require SELLER's express permission and shall be promptly repaired or replaced by KPB in a workman-like manner. KPB shall have 180 days from the execution of this agreement to complete inspections and determine its satisfaction unless otherwise provided in writing.

12. HAZARDOUS MATERIAL

SELLER covenants to the best of SELLER'S knowledge, that as of the date of this Agreement,

except as specifically identified herein, the Property is free of all contamination from petroleum products or any hazardous substance or hazardous waste, as defined by applicable state or federal law, and there are no underground storage tanks or associated piping on the Property. SELLER agrees that no hazardous substances or wastes shall be located on or stored on the Property, or any adjacent property owned or leased by the SELLER, owner or contractors, nor shall any such substance be owned, stored, used, or disposed of on the Property or any adjacent property by SELLER, its agents, employees, contractors, or invitee's, prior to KPB'S ownership, possession, or control of the Property.

13. ENVIRONMENTAL CONTINGENCY

If during the course of Purchaser's due diligence of the Property pursuant to Section 11, Purchaser discovers the presence of Environmental hazards on or released from the Property in any quantity or concentration exceeding the limits allowed by applicable law, or that are deemed undesirable by purchaser, Purchaser shall have the right to give notice to Seller, accompanied by a copy or copies of the Third-Party Report(s) disclosing and confirming the presence of such hazardous materials. The notice and accompanying Third-Party Report must be given no later than 60 days from receipt of said report. The notice under this section shall state:

- (i) that Purchaser is terminating this Contract due to the presence of such hazardous materials on or adversely affecting the Property; OR
- (ii) provide Seller 30 days from notice to provide a mitigation plan outlining steps taken by seller to remedy said hazards to buyers satisfaction at sellers expense.

Following the KPB sending the notice and report described in this section, the parties may negotiate other resolutions as may be agreeable to both parties in writing to be included as a part of this Agreement. In the event the parties cannot agree in writing on a resolution to remedy any environmental concerns within 90 days of the notice, this Agreement shall automatically terminate.

It is expressly understood, by execution of this agreement, seller hereby indemnifies buyer for any and all CERCLA related claims, liabilities or matters, unless otherwise provided for in this agreement. Said indemnification shall survive closing and termination of this agreement. Upon successful close of escrow said indemnification shall continue for a period of not less than 36 months, from the date of closing unless otherwise provided for in this agreement.

If this Agreement is terminated pursuant to any report detailing environmental conditions that may or may not exist on the Property, such report(s) shall remain confidential and proprietary. The report(s) will be marked as confidential and will not be released to a private individual, entity, or non-profit without express agreement of the parties hereto. Notwithstanding, the report will be released pursuant to a valid court order and may be released to the State of Alaska upon request.

14. ENTIRE AGREEMENT

This Agreement and the documents referred to herein contain the entire agreement of the parties with respect to the subject matter hereof. Any changes, additions or deletions hereto must be made in writing and signed by both KPB and SELLER or their respective successors in interest. Provisions of this Agreement, unless inapplicable on their face, shall be covenants constituting terms and conditions of the sale, and shall continue in full force and effect until the purchase price is paid in full or this agreement is earlier terminated.

15. BREACH REMEDY

Prior to closing of the sale, in the event that KPB or SELLER fails to make any payment required, or fails to submit or execute any and all documents and papers necessary for closing and transfer of title within the time period specified in this agreement, the SELLER or KPB may terminate this Agreement.

16. MISCELLANEOUS

- A. **Time.** Time is of the essence in performance of this Agreement.
- B. **Cancellation.** This Agreement, while in good standing may be canceled in whole or in part, at any time, upon mutual written agreement by SELLER and the KPB mayor. This Purchase Agreement is subject to cancellation in whole or in part if improperly issued through error in procedure or with respect to material facts. Buyer may cancel this agreement without penalty in the event additional contracts are not secured required of this project.
- C. **Notice.** Any notice or demand, which under the terms of this Agreement or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address shown on the contract. However, either party may designate in writing such other address to which such notice of demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed received when deposited in a U.S. general or branch post office by the addressor.
- D. **Interpretation.** This Agreement shall be deemed to have been jointly drafted by both parties. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of Alaska. The titles of sections in this Agreement are not to be construed as limitations of definitions but are for identification purposes only.
- E. **Condition of Property.**
SELLER shall deliver the property in its as-is condition.
- F. **Confidentiality.** This Agreement shall be considered proprietary to the parties

until closing occurs. Following closing, this Agreement may be considered a public record.

- G. Counterparts. This Agreement may be executed in counterpart, and may be executed by way of copy, facsimile or verified electronic signature in compliance with AS 09.80, and if so, each of which shall be deemed an original but all of which together will constitute one and the same instrument

This Agreement has been executed by the parties on the day and year first above written.

KENAI PENINSULA BOROUGH:

SELLER:

 Charlie Pierce, Mayor

M. Todd Boling

 M. Todd Boling as *President* of
 Jonas Ridge, LLC _____

 _____ as _____ of
 Jonas Ridge, LLC

ATTEST:

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

 Johni Blankenship,
 Borough Clerk

 Sean Kelley,
 Deputy Borough Attorney

NOTARY ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Charlie Pierce, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, for and on behalf of the corporation.

Notary Public in and for Alaska
My commission expires: _____

NOTARY ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 15th day of September, 2021, by M. Todd Boling ~~and _____~~ as President of Jonas Ridge, LLC, and Alaska Limited Liability Company.

Maura Jones
Notary Public in and for Alaska
My commission expires: 01/24/24

MAURA JONES
Notary Public, State of Alaska
Commission # 200124005
My Commission Expires
January 24, 2024