

PURCHASE AGREEMENT

This Purchase Agreement (“Agreement”) is made by and between PAUL HUEPER AND MARILYN HUEPER, husband and wife, and DONALD HUEPER AND LORRAINE HUEPER, husband and wife, as sellers, whose address is PO Box 301, Homer, Alaska 99603, (jointly, "Sellers") and the KENAI PENINSULA BOROUGH, an Alaska municipal corporation, as buyer, whose address is 144 North Binkley Street, Soldotna, Alaska 99669 ("KPB").

WHEREAS, Sellers are the owners of that real property located in the Homer Recording District, Third Judicial District, State of Alaska, and more particularly described as follows:

LOT TWENTY-SEVEN-C ONE (27-C1) BUNNELL’S SUBDIVISION
FORTIN REPLAT, according to Plat No. 2006-65, in the Homer Recording
District, Third Judicial District, State of Alaska.
(PARCEL NO. 175-133-42) (“the Property”)

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

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

1. PURCHASE PRICE

The purchase price of the Property is Five Hundred Seventy Thousand Dollars and NO cents (\$570,000.00), subject to independent appraisal, completed as-built survey, and satisfactory inspection. 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 KPB Assembly.

In addition to the purchase price referenced above, KPB has agreed to purchase all personal property, fixtures and furniture currently on the Property for Fifty Thousand Dollars and NO cents (\$50,000.00). A detailed inventory of the included personal property is attached to this offer as Exhibit A. All personal property shall be conveyed by bill of sale at the time of closing free of any claims or encumbrances.

2. EXPIRATION OF OFFER

Sellers shall sign and return this Agreement to KPB on or before **August 29, 2022**; 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. Sellers warrant and covenant that at the time of closing there shall be no liens or judgments recorded against Sellers in the same recording district in which the Property subject to this 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.

4. ESCROW AND CLOSING COSTS

Except as described in this Section, in addition to the purchase price, KPB agrees to pay for buyer-related closing costs in connection with this Agreement, including appraisal and inspection fees. Sellers agree to pay for seller-related closing costs, including the ALTA owner's policy of title insurance and as-built survey. Property taxes for the current year, if any, will be prorated to the date of closing. Sellers are 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.

5. CLOSING

Unless otherwise agreed in writing, closing will occur within 90 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 Agreement and, if applicable, establish an escrow account.

6. POSSESSION

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

7. KENAI PENINSULA BOROUGH ASSEMBLY APPROVAL

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

8. DISCLOSURES

Sellers hereby agree 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 Sellers in writing. If said disclosure presents a matter unsatisfactory to KPB, KPB may terminate this agreement without penalty.

9. CONTINGENT ON INSPECTION

This offer and Agreement are contingent upon the completion of a property inspection satisfactory to KPB for its use and at KPB's expense. Sellers shall, upon reasonable notice, provide access to the property for inspection purposes to KPB and its representatives. Any

invasive inspection procedures shall require Sellers' express permission and shall be promptly repaired or replaced by KPB in a workman-like manner. KPB shall have 60 days from the execution of this Agreement to complete inspections and determine its satisfaction unless otherwise provided in writing.

10. HAZARDOUS MATERIAL

Sellers covenant 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.

11. ENVIRONMENTAL CONTINGENCY

If during the course of KPB's due diligence inspection of the Property pursuant to Section 9, KPB 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 KPB, KPB shall have the right to give notice to Sellers, 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 KPB is terminating this Agreement due to the presence of such hazardous materials on or adversely affecting the Property; OR
- (ii) provide Sellers 30 days from notice to provide a mitigation plan outlining steps taken by seller to remedy said hazards to KPB satisfaction at seller's expense.

Following 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 that, by execution of this Agreement, Sellers hereby indemnify KPB 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 12 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.

12. 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 Sellers 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.

13. BREACH REMEDY

Prior to closing of the sale, in the event that KPB or Sellers fail to make any payment required, or fail 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 Sellers or KPB may terminate this Agreement.

14. 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 Sellers and the KPB mayor. This Agreement is subject to cancellation in whole or in part if improperly issued through error in procedure or with respect to material facts. KPB may cancel this Agreement without penalty in the event additional contracts required of this project are not secured.
- 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. Any lawsuit brought arising from this Agreement shall be filed in the court of the Third Judicial District, State of Alaska, located in the City of Homer, 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. Sellers 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:

SELLERS:

Charlie Pierce, Mayor

DocuSigned by:
Paul Hueper

 Paul Hueper

DocuSigned by:
Marilyn Hueper

 Marilyn Hueper

Donald Hueper

DocuSigned by:
Lorraine Hueper

 Lorraine Hueper

ATTEST:

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Johni Blankenship,
 Borough Clerk

A. Walker Steinhage
 Deputy Borough Attorney

Exhibit A

Evergreen Townhouses Furnishings Inventory

Townhouse West:

<u>Bedroom #1:</u>	<u>Replacement Value</u>
Bed set with headboard	2600
Mattress	1500
Bedside Stands-2	800
Dresser	1200
Loveseat	1400
32' Flatscreen TV	400
Wall mirror	300
Designer Lamp Shades	300
Custom Floor Rug	500
Small decorative wall mirror	200
Patio furniture set	400
Large/oversize bathroom mirror	400
End stand/foot of bed	300
Foot controlled garbage can	100
Bedding-Comforter, 2 sets of sheets	300
Custom Pillow set-6	200
 <u>Bedroom #2:</u>	
Bed Set with headboard	2500
Mattress	1500
Dresser	1200
Designer lamp shades	400
Patio Furniture set	700
Custom original painting #1	700
Custom original painting #2	600
Decorative vase set	200
Comforter and sheet sets-2	300
Custom Pillow set-6	300
Unattached blackout curtains	700

(Cont.)

<u>Bedroom #3-</u>	<u>Replacement Value:</u>
Bed Set with Headboard	2700
Mattress	1500
Comforter and sheet sets	300
Decorative Mirror	300
Night Stands	600
Custom Lamps	400
Black Out curtains- removable	500
Custom pillow set-6	300
<u>Living Room/Dining Room-</u>	
Dining Set with tall chairs	1600
Sofa w/sleeper function	1500
Floor hutch	900
Oversized Mirror	400
28" Samsung TV with wall mount	400
Metal sculpture in entry	300
Lupin painting-original	700
Homer spit painting-original	900
Salmon painting- Reidel original	900
2 additional stools	500
<u>Kitchen Area-</u>	
Refrigerator-Whirlpool	1400
Microwave	400
Dish Washer-Amanda	700
Dishes and utensils and glassware	600
Cooking Items	500
Bella Coffee Maker/Electric tea pot/toaster	200

Total-Townhouse West: \$38,500

Townhouse East:

Replacement Value:Bedroom #1-

Custom bed set	3200
Mattress	1500
Dresser	1200
Bed side stands	800
Designer lamp shades	500
Comforter and sheet sets	300
Patio furniture on deck	400
Designer Lamp-dresser	500
Unattached black out curtains	700
Custom pillow set-6	300

Bedroom #2-

Custom Bed set	2900
Mattress	1500
Dresser	1200
Bed Side stands	1100
In-room table set	900
Custom Persian Rug	1300
Table top lamp	300
Non-permanent black out curtains	700
Fireweed wall painting	600
Love seat and Ottoman	1200
32" Samsung Flat Screen TV	400
Custom Pillow set-6	300
Comforter and sheet sets	300
Patio Furniture on private deck	700
Foot controlled garbage can	100
Decorative corner stand	300

Upstairs Hallway & Bathroom-Replacement Value:

Master Hutch	1500
Bathroom Floor Cabinet	300
Custom Lamp	400
Oversized Mirror	400
Bowls w/Japanese fishing balls	300
Floor dresser/hutch	500
Mariner-style lamp	400

Bedroom #3-

Bed set w/built-in drawer set	2700
Mattress	1500
Bedside stand	400
Blackout curtains/removable/custom rods	700
Mariner-style lamp	400
Floor dresser	400
Comforter and sheet sets	300
Custom pillow set-6	300

Kitchen/Dining Area-

Refrigerator	1400
Switzer limited edition print	800
Reidel original flower painting	1200
Lounging area table/chair set	1100
Custom bird lamp	500
Dining Room set	2200
Front Deck patio furniture	700
Closet storage hut	600
Reidel original painting #2	900
Dishes and utensils	400
Cooking items, coffee maker, etc.	600
Microwave	300

Living Room-

Sofa with pull out sleeper	1600
Floor cabinet	600

Custom Wooden Lamp	500
Entertainment center	1400
32" Samsung flat screen TV	400
Flower set	200
Ottoman	400
2nd floor cabinet	600
2nd Custom Wooden Lamp	500
Shag floor rug	400
Oversized decorative mirror	600

Total- Townhouse East: \$52,100

Utility Room:

Washer/Dryer set	1500
Guest Towel sets	400
Vacuum	200
Extra sheets for all bedrooms	900
Small tools, cleaners, supplies	400
Internet system with modem	400
Shelving system for storage	300

Total- Utility Room: \$4100

Total- Replacement Value of Furnishings: \$94,700