

**REAL ESTATE
PURCHASE AND SALE AGREEMENT**

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT this (“Agreement”) is entered into as of the ___ day of _____, 2026, by and between the City of Homer, a municipal corporation organized and existing under the laws of the State of Alaska, whose address is 491 E. Pioneer Avenue, Homer, Alaska 99603 (“Buyer”), and the Kenai Peninsula Borough, whose address is 144 North Binkley Street, Soldotna, Alaska 99669 (“Seller”), for the purchase and sale of certain real property located in the City of Homer, Alaska.

RECITALS

WHEREAS, Seller owns that certain real property, of five lots encompassing approximately 12.5 acres, located in the City of Homer, and legally described as set forth in Exhibit A, attached hereto and made part of this Agreement (the “Property”).

WHEREAS, Buyer wishes to acquire from Seller separate deeds for each of the five (5) lots that constitutes the Property and as such, this Agreement applies to each of the five (5) lots.

WHEREAS, Buyer wishes to acquire the Property for the purpose of conservation (particularly to conserve habitat critical to local moose populations and salmon health, and also to protect peatland as a nature-based solution for stormwater collection, which will simultaneously recharge the peat, protect the water quality of Kachemak Bay, and mitigate coastal erosion), in part with federal funds for conservation awarded by the National Oceanic and Atmospheric Administration (NOAA).

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase the Property for the consideration and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, covenants, and conditions set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **PROPERTY**

Subject to the terms and conditions of this Agreement, Seller agrees to sell and Buyer agrees to purchase the Property, together with any and all improvements, structures, buildings and fixtures located thereon or hereafter located thereon; all privileges, rights, water rights, easements, hereditaments and appurtenances thereto belonging; and all right, title and interest of Seller in and to any streets, passages and other rights of way included therein or adjacent thereto.

2. PURCHASE PRICE AND PAYMENT TERMS

The purchase price to be paid for the Property shall be One Hundred Fifty-Six Thousand Two Hundred Fifty U.S. Dollars and No cents (\$156,250.00) (“Purchase Price”), Based on the appraised value as determined by a third-party appraiser retained by the Buyer.

3. DEED

Title to the Property shall be conveyed to Buyer free and clear of any liens or encumbrances by a Quitclaim Deed (the “Deed(s)”) for each of the five (5) lots duly executed by Seller and recorded at Closing. The Deeds shall be in the form and content acceptable to Buyer and containing the following language or other similar language required by Buyer or Buyer’s funding sources:

“SUBJECT TO: This Property has been acquired with funds from Federal financial assistance award NA23NOS4730101 through NOAA’s FY2022 Bipartisan Infrastructure Law National Estuarine Research Reserve Habitat Restoration and Conservation funding under the Inflation Reduction Act. Title to the property conveyed by this deed shall vest upon acquisition in the City of Homer subject to the conditions that the Property shall be managed for conservation purposes and consistent with the purposes for which it was acquired. The City of Homer shall not dispose of, exchange, encumber its title or other interests in, or convert the use of this Property without the approval of NOAA or its successor agencies.”

4. OWNER’S TITLE INSURANCE

At Closing, Title Company shall issue to Buyer, at Buyer’s expense, a standard owner’s title insurance policy issued by Title Company’s underwriter, in the amount of the purchase price, insuring Buyer’s title to the Property, subject only to the printed exceptions normally contained in such policies, and any other exceptions approved by Buyer prior to Closing.

5. SELLER LIMITED REPRESENTATIONS

Seller represents and warrants to Buyer as follows:

5.2 Seller has all requisite power and authority to enter into this Agreement. Sale of the Property by KPB is subject to authorization by the KPB Assembly. If the KPB Assembly fails to authorize the sale of the Property, this Agreement will terminate without penalty.

5.3 All necessary action on the part of Seller has been taken to authorize the execution and delivery of this Agreement. This Agreement has been duly and validly executed and delivered by Seller.

5.4 Seller has received no notification and has no knowledge that the Property is not in compliance with any law (including environmental laws and laws dealing with the storage and handling of hazardous substances), rule, regulation, ordinance, zoning ordinance, fire or safety

code, insurance requirement, covenant, condition, restriction, agreement or right applicable to the Property.

5.5 Seller has no knowledge that any action, suit, proceeding or investigation is pending or threatened against or relating to the Property in any court or before any federal, state, municipal or other governmental department, agency, commission, board or bureau and Seller has no knowledge of any basis for, and has received no notice with respect to, any such action, suit, proceeding or investigation.

5.6 The Seller is not aware of persons other than Seller in possession or occupancy of the Property or any part thereof.

5.7 From and after the date of this Agreement, unless the KPB Assembly does not authorize the sale, Seller shall not, without the prior written consent of Buyer: (1) enter into, extend or modify any agreement, contract, commitment, lease, or other transaction which affects the Property in any way, or (2) sell, dispose of or encumber any portion of the Property, provided the terms of this contract is still in effect.

6. BUYER LIMITED REPRESENTATIONS

Buyer represents and warrants to Seller that the following statements are true as of the date of this Agreement and shall be true as of the Closing Date:

6.1. Buyer has all requisite power and authority to enter into this Agreement. All necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement, the performance of their obligations hereunder and the consummation of the transactions contemplated hereby.

6.2. Buyer covenants unto Seller, the property will be retained and utilized by the Buyer for conservation and stormwater mitigation purposes only.

6.3. No Warranty; Property "AS-IS, WHERE IS". Buyer acknowledges its responsibility to inspect the Property and agrees Seller assumes no liability for matters which would have been disclosed to the Buyer by an inspection of the property. Buyer further acknowledges that Seller makes no warranties, either expressed or implied, nor assumes any liability whatsoever, regarding the social, economic or environmental aspects of the property, to include without limitation, soil conditions, water drainage, physical access, availability of personal use wood supplies now or in the future, or natural or artificial hazards which may or may not exist or merchantability, suitability, or profitability of the Property for any use or purpose. Subject to the express covenants and representations of Seller set forth in this Agreement or in the Seller's Closing Documents, BUYER HEREBY ACKNOWLEDGES, AGREES AND REPRESENTS THAT THE PROPERTY IS TO BE PURCHASED, CONVEYED AND ACCEPTED BY BUYER IN ITS PRESENT CONDITION, "AS IS, "WHERE IS" AND WITH ALL FAULTS, AND THAT NO PATENT OR LATENT DEFECT OR DEFICIENCY IN THE CONDITION OF THE PROPERTY, WHETHER OR NOT KNOWN OR DISCOVERED, WILL AFFECT THE RIGHTS

OF EITHER SELLER OR BUYER HEREUNDER, NOR WILL THE PURCHASE PRICE BE REDUCED AS A CONSEQUENCE THEREOF.

7. DUE DILIGENCE PERIOD

Buyer shall have a period of time (the “Due Diligence Period”) to investigate the Property to determine if it is suitable for Buyer’s purposes. The Due Diligence Period shall commence immediately upon the execution of this Agreement and shall expire at 5 p.m. on June 5, 2026.

During the Due Diligence Period, Buyer and its agents may enter upon the Property and, at Buyer’s expense, conduct inspections, soils tests, environmental assessments, surveys, physical inspections and any other analyses or evaluations (hereafter collectively “Evaluations”) that Buyer deems necessary. Buyer shall indemnify and defend Seller against any claims, costs, or liabilities related to or arising out of any Evaluations that Buyer conducts or has conducted on the Property during the Due Diligence Period.

Buyer, at its sole expense, shall return the condition of the Property to its pre-inspection condition at the completion of their due-diligence.

During the Due Diligence Period, Buyer and Buyer’s agents shall have reasonable access to the Property to conduct the Evaluations, provided that the access shall not interfere with the use of the Property by Seller.

Seller shall deliver to Buyer within ten (10) business days after the date this Agreement is executed, the following: (i) copies of all soils, hydrology and geotechnical information in Seller’s possession related to the Property, (ii) schedule of any past, current, or pending litigation or legal claims associated with the Property, and (iii) list and complete copies of all licenses, permits, entitlements, approvals and covenants, conditions and restrictions affecting the Property.

If, as a result of the Evaluations, Buyer is dissatisfied with any aspect of the Property, Buyer shall have the right to cancel the purchase of the Property. In order to cancel the transaction, Buyer must give Seller written notice of the cancellation before the expiration of the Due Diligence Period, time being of the essence.

8. CLOSING CONDITIONS

Buyer’s obligation to close shall be subject to the satisfaction of the following conditions (the “Closing Conditions”) at or before the Closing Date, any of which may be waived by Seller:

8.1. As of the Closing Date, the Property shall be in substantially the same condition as of the expiration of the Due Diligence Period.

8.2. Title to the Property shall show in the title commitment issued by Title Company as properly vested in Seller.

8.3. Buyer shall have obtained necessary funding for the purchase of the Property, including the Purchase Price and any other necessary funding for stewardship of the Property.

8.4. This agreement is subject to appropriation. If grant funds are not appropriated, made available by the funding entity or funds are not sufficient to purchase the property set forth in this Agreement, the City of Homer may unilaterally terminate this Agreement.

9. TAXES AND ASSESSMENTS

Real property taxes and installments for special assessments (if any) that are due and payable as of the Closing Date shall be prorated on a per diem basis. Escrow Agent shall obtain all necessary information and shall prorate real property taxes between Seller and Buyer as of the Closing Date based on the latest available information. No adjustment in the real property tax proration shall occur following the Closing Date.

10. CLOSING COSTS

Buyer shall pay the escrow closing fee, title insurance premium, conveyance fees, recording fees, and all other closing costs. Seller and Buyer shall each pay their respective attorney's fees. The defaulting party shall pay any escrow cancellation fees if the Escrow fails to close due to the default of a party. For purposes of this Agreement, "Closing" means the date upon which all documents required to effectuate this Agreement are executed and delivered in accordance with the terms of this Agreement or the escrow documents, and the date a grant deed conveying title to the Property is delivered to the Buyer. Unless otherwise agreed in writing, Closing will occur within 270 days of the Effective Date of this Agreement (Closing Date). At Closing, Buyer will pay the balance of the purchase price, with good funds. Both Parties will execute all documents required to complete the Agreement and, if applicable, establish an escrow account. If Closing does not occur within 270 days, the Agreement is automatically void and terminated, unless the Parties mutually agree in writing to an extension prior to automatic termination (Outside Closing Date).

11. POSSESSION

Seller shall deliver and Buyer shall take possession of the Property upon recording of the Deed. Risk of loss shall pass to Buyer upon recording of the Deed.

12. BROKERS AND COMMISSIONS

Each party hereby represents and warrants that it has not used a broker or agent related to transactions herein. Seller agrees to indemnify and hold harmless Buyer from any and all brokerage commissions and fees claimed by any broker or agent utilized by Seller or any third party asserting a claim through Seller. Buyer agrees to indemnify and hold harmless Seller from

any and all brokerage commissions and fees claimed by any broker or agent utilized by Buyer or any third party asserting a claim through Buyer. Notwithstanding any provision to the contrary, the obligations of the parties under this Section shall survive the Closing and any termination of this Agreement.

13. PROPERTY CONDITION

Buyer shall solely rely upon Buyer's own determination and assessment of the physical condition of the Property, including, but not limited to the presence or absence of any hazardous substances or environmental contamination on the Property. In closing the transaction contemplated by this Agreement, Buyer shall have accepted the Property "AS IS, WHERE IS" without representation or warranty of any kind, except as provided by Seller in this Agreement.

14. SELLER DEFAULT AND BUYER REMEDIES

Seller shall be in default under this Agreement, unless the KPB Assembly does not authorize the sale, upon occurrence of any of the following events: (i) Seller enters into any contract, commitment or other transaction which affects title to the Property, including an agreement to sell, dispose of or encumber the Property or any portion of the Property; (ii) Seller fails to materially meet, comply with, or perform any covenant, agreement or obligation required on Seller's part within the time limits and in the manner required in this Agreement, for any reason other than a default by Buyer; or (iii) Seller fails to deliver at the Closing any items reasonable required of Seller by Buyer or Escrow Agent.

The termination of this Agreement shall be the sole remedy available to Buyer for breach or default by Seller, and Seller will not be liable for damages or specific performance, and Buyer hereby waives any and all rights to damages and specific performance.

15. BUYER DEFAULT AND SELLER REMEDIES

Buyer shall be in default under this Agreement upon occurrence of either of the following events: (i) Buyer fails to materially meet, comply with, or perform any covenant, agreement or obligation required on Buyer's part within the time limits and in the manner required in this Agreement, for any reason other than a default by Seller; or (ii) Buyer fails to deliver at the Closing any items reasonably required of Buyer by Seller.

The termination of this Agreement shall be the sole remedy available to Seller for breach or default by Buyer, and Buyer will not be liable for damages or specific performance, and Seller hereby waives any and all rights to damages and specific performance.

16. MISCELLANEOUS

16.1. Interpretation. The captions of the Sections of this Agreement are for convenience only and shall not govern or influence the interpretation hereof. This Agreement is the result of negotiations between the parties and, accordingly, any ambiguities shall not be construed for or against either party regardless of which party drafted this Agreement or any portion thereof.

16.2. Survival. The representations, warranties and indemnities set forth in this Agreement shall survive the Closing and not merge into the deed or other documents to be delivered at Closing.

16.3. Assignment. This Agreement and the rights or obligations of any party under this Agreement may not be assigned by any party without the prior written consent of the other party (which shall not be unreasonably withheld, conditioned or delayed).

16.4. Waiver. Excuse or waiver of the performance by the other party of any obligation under this Agreement shall be effective only if evidenced by a written statement signed by the party so excusing. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Seller or Buyer of a breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

16.5. No Third Person Beneficiary. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, corporation or other entity not a party hereto (including, without limitation, any broker), and no such party shall have any right or cause of action hereunder.

16.6. Entire Agreement. This Agreement constitutes the entire agreement between and the reasonable expectations of the parties pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein. No change or addition is to be made to this Agreement except by a written agreement executed by all of the parties.

16.7. Further Documents. Buyer and Seller shall execute and deliver all such documents and perform all such acts as reasonably requested by the other party from time to time, prior to and following the Closing, to carry out the matters contemplated by this Agreement.

16.8. Incorporation of Recitals and Exhibits. All recitals to this Agreement and exhibits attached to this Agreement are by this reference incorporated herein.

16.9. Alaska Law. This Agreement shall be governed by the laws of the State of Alaska.

16.10. Date of Performance. Time is of the essence of this Agreement. If the date of performance of any obligation or the last day of any time period provided for under this

Agreement should fall on a Saturday, Sunday or legal holiday, then said obligation shall be due and owing, and the time period shall expire, on the first day thereafter which is not a Saturday, Sunday or legal holiday. Except as may otherwise be set forth in this Agreement, any performance provided for in this Agreement shall be timely made if completed no later than 5:00 p.m. (Alaska time) on the day of performance.

16.11. Counterparts. This Agreement may be executed in any number of counterparts. Each such counterpart hereof shall be deemed an original, but all counterparts shall constitute but one agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above intending to become legally bound.

SELLER:

Dated: _____

Kenai Peninsula Borough

BUYER:

CITY OF HOMER

Dated: _____

By: _____
Its: _____

EXHIBIT “A”

The Property referred to herein below is situated in the City of Homer, State of Alaska and is described as follows:

Government Lot 18, in Section 14, Township 6 South, Range 13 West, situated in the Homer Recording District, Seward Meridian, Alaska.

Government Lot 19, in Section 14, Township 6 South, Range 13 West, situated in the Homer Recording District, Seward Meridian, Alaska.

Government Lot 20, in Section 14, Township 6 South, Range 13 West, situated in the Homer Recording District, Seward Meridian, Alaska.

Government Lot 22, in Section 14, Township 6 South, Range 13 West, situated in the Homer Recording District, Seward Meridian, Alaska.

Government Lot 23 in Section 14, Township 6 South, Range 13 West, situated in the Homer Recording District, Seward Meridian, Alaska.