

TRANSFER AGREEMENT

THIS AGREEMENT is entered into between the CITY OF SOLDOTNA (the "City") and the KENAI PENINSULA BOROUGH (the "Borough"). The agreement is intended to provide for an orderly transfer of fire protection rights, powers, duties, assets, and liabilities from the City of Soldotna to the Borough should voters approve a ballot proposition to form a new "CENTRAL EMERGENCY SERVICE AREA" and thereby establish one consolidated Borough fire and emergency medical service area to serve the Kalifornsky, Ridgeway, Soldotna, Sterling, and Swanson River areas.

I. ASSETS

The assets which are the subject of this Agreement are described as follows:

A. Land. That parcel of real property described as:

Lot One-D-One (1-D-1), according to the Plat of the Johnston-Wilson Subdivision, filed under Plat No. 86-128 and Binkley Street/Shady Lane Replat, Plat No. 88-40 in the Kenai Recording District, Third Judicial District, State of Alaska.

B. Improvements. The Soldotna Fire Station, which was substantially completed in 1984; and parking lot improvements, which were substantially completed in 1987; all situated on the land described above.

C. Equipment. All equipment presently contained within the Soldotna Central Fire Station, and belonging to the City of Soldotna, and the following vehicular equipment:

<u>Description</u>	<u>VIN</u>
1983 Chevrolet Blazer 4x4	1G8CT18B2D0144469
1981 FMC Pumper Truck	1FDXK84N1BVJ25276
1972 Kenworth Fire Truck	121434 (Body)
	6A233403 (Engine)
1964 Ford Pumper Truck	C00RU54038

II. LIABILITIES

The liabilities which are the subject of this Agreement are described as follows (figures shown are as of June 30, 1992):

63-7-1

A. Bonded Indebtedness. The City has debt outstanding for the design, construction and purchase of equipment for the Soldotna Fire Station. The bonds were issued on December 1, 1983, in a principal amount of \$1,200,000.00 at an average annual interest rate of 10.5% per annum over the term of the debt. The outstanding principal balance as of July 1, 1992 will be \$280,000.00.

B. Vehicular Equipment. A balance of \$71,876.00 is due to the City's Equipment Maintenance Service Fund for the purchase of the vehicular equipment described in I(C), above.

III. DISPOSITION OF ASSETS AND LIABILITIES

The disposition and transfer of the assets and liabilities described in I and II, above, are as follows:

A. Land and Improvements. Before July 1, 1992, the City shall convey to the Borough clear title to the land and all improvements, as described in sections I(A) and I(B).

B. Equipment Agreement. By July 1, 1992, the City shall convey clear title to all the vehicular equipment described in I(B), above, to the Borough and write off any balance due to its Equipment Maintenance Internal Service Fund for the purchase of such vehicular equipment.

C. Bonded Indebtedness.

1. The City shall continue to be financially responsible for payment of principal and interest on its \$1.2 million General Obligation Bonds issued in 1983 for the design and construction of the Soldotna Fire Station. The schedule for the remaining debt service is as follows:

Fiscal year Ending 6/30	Payment	Interest	Principal	Principal Balance
1993	178,000	18,000	160,000	120,000
1994	<u>125,400</u>	<u>5,400</u>	<u>120,000</u>	<u>-0-</u>
	303,400	23,400	280,000	120,000

2. In the event that the City defaults on its obligations for the bonds listed above, the City shall reimburse the Borough for all payments made pursuant to the Intergovernmental Cooperative Agreement dated June 25, 1986, at Section 5(E). In addition, the City agrees to indemnify and hold the Borough harmless for any claims arising from such default.

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3. The City agrees to provide a title insurance policy as of June 30, 1992, showing title acceptable to the Borough.

C. Water System. The City shall retain ownership and control of its municipal water system, and reserves the right to impose a charge for the use of its water outside of the City limits according to rates set forth in the Soldotna Municipal Code as they may be amended from time to time.

IV. TRANSFER OF POWERS

The Borough succeeds to all of the rights, powers, and duties of the City with respect to fire protection within the City of Soldotna.

V. INTEGRATION

This Agreement sets forth all the terms, conditions, and agreements between the parties and supersedes any previous understandings or agreements whether oral or written, including intergovernmental cooperative agreements or mutual aid agreements between the parties dated September 7, 1982, June 25, 1986, and December 29, 1987.

VI. EFFECTIVE DATE

This Agreement shall take effect on July 1, 1992, contingent upon approval of Kenai Peninsula Borough Ordinance 91-32, and upon approval of a ballot proposition which establishes the new Central Emergency Service Area by the new service area residents at the general election of October 1, 1991.

CITY OF SOLDOTNA

KENAI PENINSULA BOROUGH

By: *Gay L. Lamm*
Its: Mayor
Dated: July 24 1991

By: *Donald E. Gilman*
Its: Municipal
Dated: 7-5-92

ATTEST:

Alicia Berdick
City Clerk

ATTEST:

Henry Hauanen
Borough Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY BY:

By: *Ken A P*