

PURCHASE AND SALE AGREEMENT

Chelan County, Washington

Parties

THIS PURCHASE AND SALE AGREEMENT (“Agreement”) is made between Public Utility District No. 1 of Chelan County, Washington, a municipal corporation (the “District”); and Otis C. Henderson, a single person (“Seller”), District and Seller are collectively hereinafter referred to as “Parties”.

Recitals

The District is a Washington municipal corporation authorized under the laws of the State of Washington, RCW 54.16.020 and .040, to condemn and purchase land, structures, property, property rights and privileges within and without its limits necessary for the purpose of furnishing itself, its inhabitants and other persons within or without the District with electrical utility services and domestic water for all uses and, in furtherance thereof, is authorized to acquire land for utility lines, structures, electrical power, and all other facilities necessary for the furnishing and transmission of electricity and domestic water.

The Seller owns 5.45 acres of real property located in Chelan, Chelan County, Washington, more particularly described at Exhibit A (“Subject Property”), attached hereto and incorporated herein by this reference.

District desires to purchase and Seller desires to sell to District the Subject Property.

NOW, THEREFORE, in consideration of the mutual benefits and obligations set forth herein, the recitals set forth above, which are incorporated herein by this reference, and for other good and valuable consideration the receipt of which is hereby acknowledged, the Parties agree as follows:

Agreement

1. Property

Seller agrees to sell and convey to District and District agrees to purchase from Seller, subject to the terms and conditions of this Agreement, the Subject Property.

2. Purchase Price

The purchase price shall be one hundred sixty-five thousand dollars (\$165,000), due to Seller, payable in cash at closing.

3. Closing

Closing shall occur on or before December 31, 2015, unless otherwise approved in writing. Closing shall mean the date that all conveyance documents are recorded and all proceeds are available for disbursement to Seller.

4. Conveyance of Title

At closing, Seller shall sign, execute, and deliver a Statutory Warranty Deed for the Subject Property to District in the form attached as Exhibit "B".

5. Contingencies.

- A) Approval of Board of Commissioners. This Agreement is contingent and conditioned upon the express approval of the District's Board of Commissioners. In the event the District's Board of Commissioners does not expressly approve this Agreement, this Agreement shall terminate and be of no force and effect.
- B) Title Policy. This Agreement is contingent and conditioned upon District's receipt of North Meridian Title & Escrow's firm commitment to issue upon closing a standard form title insurance policy satisfactory to District, as described below in section 6. Title Insurance.
- C) Conditional Use Permit. This Agreement is contingent and conditioned upon the District's receipt of a Conditional Use Permit issued by the City of Chelan, Washington allowing for the development of an electric substation facility. The District shall pay the cost for all required permit fees associated with the Conditional Use Permit application. Seller agrees to participate as necessary to complete the CUP, including but not limited to the signing of all permit applications as owner of the property.

6. Title Insurance.

- a. Preliminary Commitment for Title Insurance. Seller shall provide the District, at District's expense, a preliminary title commitment for standard owner's policy of title insurance covering the Subject Property continued down to date, together with legible copies of all exceptions shown therein, showing Seller's title to the Subject Property to be good, marketable, and insurable (the "Preliminary Commitment"). The Preliminary Commitment shall be issued by North Meridian Title & Escrow.
- b. Permitted Exceptions.
 - i) The District shall notify the Seller of any defects or encumbrances in Seller's title indicated in the Preliminary Commitment, or any supplemental report thereto, to which the District objects, within fourteen (14) days after receipt of the Preliminary Commitment or supplemental report thereto.

- ii) This Agreement shall terminate unless: (a) within ten (10) days of the District's notice of such objections, the Seller agrees to remove all objectionable provisions using Seller's best efforts and due diligence to complete such removal as soon as feasible, or (b) the District notifies the Seller in writing that it waives any objections which the Seller does not agree to remove.
- c. Policy of Title Insurance. The provisions referenced in subsection (i) and those provisions not objected to, or for which the District waives its objections, shall be referred to collectively as the "Permitted Exceptions." Other than the Permitted Exceptions, the policy of title insurance issued by the Title Company shall contain no exceptions.

7. Possession.

District shall take possession of the Subject Property on closing.

8. Escrow/Closing Costs

Closing shall occur at North Meridian Title & Escrow, who shall act as the escrow/closing agent, unless the Parties agree in writing otherwise. District shall prepare the deed, and pay the auditor recording fees. District shall pay the entire fee charged by North Meridian Title & Escrow for escrow services. Each party shall pay their respective tax pro-rations, and assessments, if any. Seller shall pay the excise tax.

9. Assignment

This Agreement shall not be assigned.

10. General Provisions

- a. Time is of the Essence. Time is of the essence in this Agreement. Both Parties agree to perform all obligations set forth in this agreement in a timely manner.
- b. Attorney Fees and Costs. In the event it is necessary for either party to utilize the services of an attorney to enforce any of the terms of this Agreement, such enforcing party shall be entitled to compensation for its reasonable attorney's fees and costs. In the event of litigation regarding any of the terms of this Agreement, the substantially prevailing party shall be entitled, in addition to other relief, to such reasonable attorney's fees and costs as determined by the court, including costs of appeal.
- c. Applicable Law – Venue. This Agreement shall be governed by the laws of the State of Washington. The Superior Court for Chelan County, Washington, shall be the exclusive venue for any and all suits brought to enforce the terms and conditions of this Agreement.

- d. No Verbal Agreements/Entire Agreement. There are no verbal or other agreements which modify or affect this Agreement. This Agreement and the instruments anticipated to be executed as expressly provided in this Agreement constitute the full understanding between the parties.
- e. Notices. Notices shall be in writing and may be mailed or delivered. If mailed, such notices shall be sent postage prepaid, certified or registered mail, return receipt requested. The date marked on the return receipt by the U.S. Postal Service shall be deemed to be the date on which the party received the notice. Notices shall be mailed or delivered as follows:

To the District:

Public Utility District No. 1 of Chelan County
Attn: Steven Currit
Director, Shared Services
P.O. Box 1231
327 N. Wenatchee Ave.
Wenatchee, WA 98807

To Seller:

Otis C. Henderson
P.O. Box L
Chelan, WA 98816

- f. Survival. All representations and warranties made under this Agreement, and all duties, rights and obligations of the Parties, shall survive closing.
- g. Waiver. Neither Party's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.
- h. Ambiguity. The parties acknowledge this Agreement was drafted and negotiated by both parties having the opportunity to be represented by legal counsel and that in the event of an ambiguity or dispute in the interpretation of a provision of this Agreement neither party shall be favored or penalized for being involved in the drafting of this Agreement.

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY

[Signature]
Steven E. Currit
Director, Shared Services
Date: 3/17/15

[Signature]
Otis C. Henderson
Date: 3-16-2015

State of WASHINGTON)
) ss.
County of CHELAN)

I certify that I know or have satisfactory evidence that STEVEN E. CURRIT is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Director, Shared Services Division of PUD NO. 1 OF CHELAN COUNTY to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 17TH day of MARCH, 2015.

Signature: [Signature]
STEVE D. VAUGHN, Notary Public

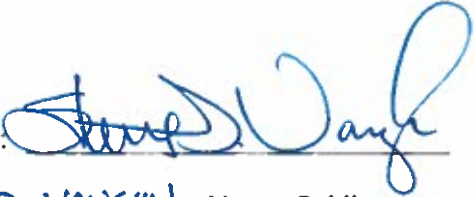
My Appointment Expires: 4-29-2017



State of WASHINGTON)
) ss.
County of CHelan)

I certify that I know or have satisfactory evidence that OTIS C. HENDERSON is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 16th day of MARCH, 2015

Signature: 

STEVE D. VAUGHN, Notary Public

My appointment expires: 4-29-2017

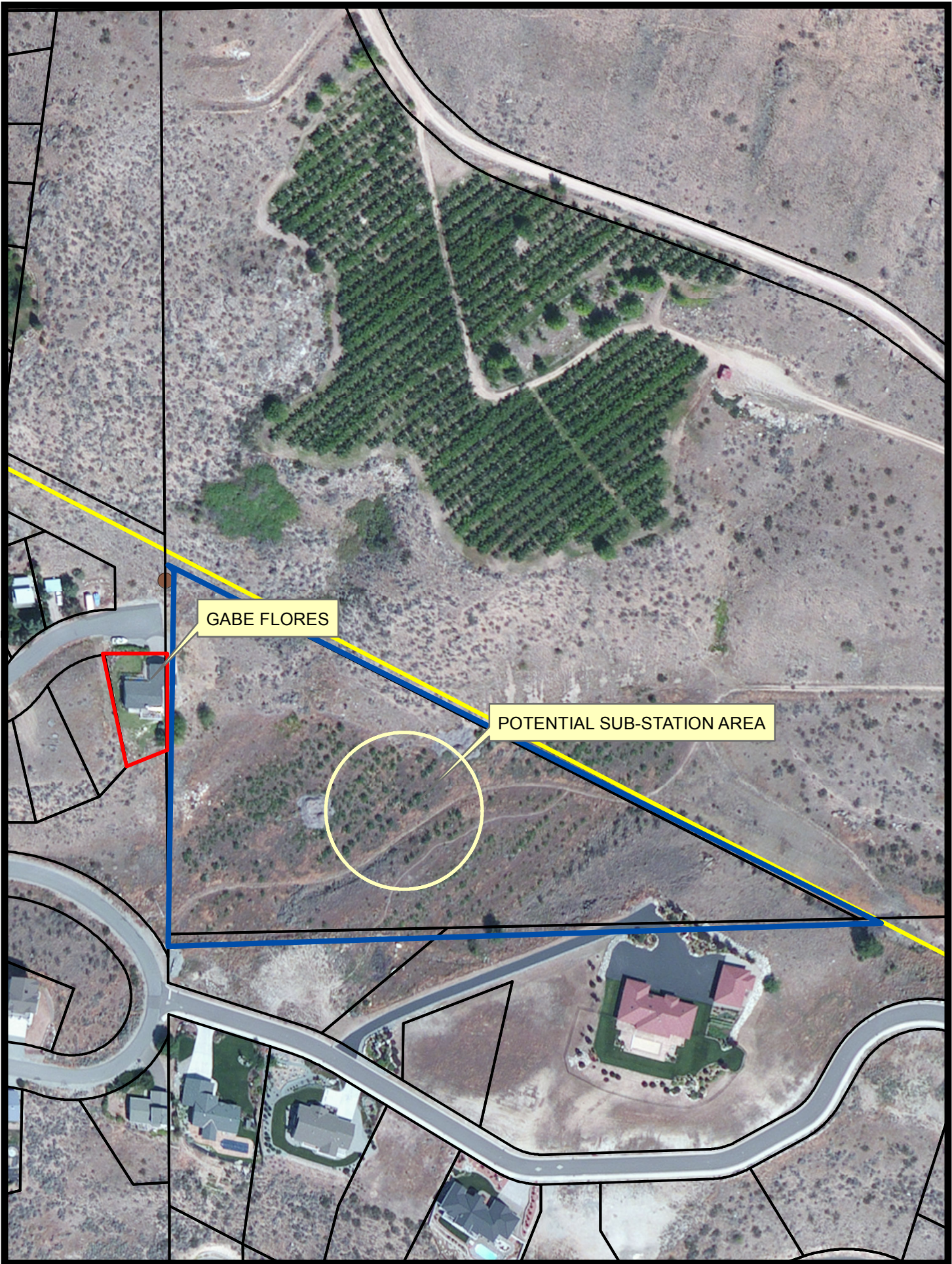


EXHIBIT A

Subject Property:

That portion of the Southeast quarter of the Southwest quarter of Section 2, Township 27 North, Range 22, E.W.M., Chelan County, Washington, described as follows:

Beginning at the Southeast corner of said subdivision; thence West along the South line of Section 2 a distance of 388 feet, more or less, to the centerline of the right of way of the Chelan-Manson electrical transmission line and the true Point of Beginning; thence West along the South line of Section 2 a distance of 916 feet, more or less, to the Southwest corner of said subdivision; thence North along the West line of said subdivision 518 feet, more or less, to the centerline of the right of way of the Chelan-Manson electrical transmission line; thence Southeasterly along that same centerline to the South line of Section 2 and the True Point of Beginning.



GABE FLORES

POTENTIAL SUB-STATION AREA

Filed for and Return to:
PUD No. 1 of Chelan County
PO Box 1231
Wenatchee, WA 98807-1231

EXHIBIT "B"

The information contained in this boxed section is for recording purposes only pursuant to RCW 36.18 and RCW 65.04, and is not to be relied upon for any other purpose, and shall not affect the intent of or any warranty contained in the document itself.

Grantor(s): Otis C. Henderson

Grantee(s): Public Utility District No. 1 of Chelan County

Abbreviated Legal Description: SE ¼ SW ¼ Sec. 2, Twn. 27 N, Rng. 22, E.W.M., Chelan Co., WA.
Additional legal on Page 1.

Assessor's Parcel Number(s): 27 22 02 340 050

STATUTORY WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, the Grantor, OTIS C. HENDERSON, for and in consideration of ONE AND NO/100THS DOLLAR (\$1.00) and other valuable consideration in hand paid, conveys and warrants to PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, the following described real estate, situated in Chelan County, State of Washington, to-wit:

That portion of the Southeast quarter of the Southwest quarter of Section 2, Township 27 North, Range 22, E.W.M., Chelan County, Washington, described as follows:

Beginning at the Southeast corner of said subdivision; thence West along the South line of Section 2 a distance of 388 feet, more or less, to the centerline of the right of way of the Chelan-Manson electrical transmission line and the true Point of Beginning; thence West along the South line of Section 2 a distance of 916 feet, more or less, to the Southwest corner of said subdivision; thence North along the West line of said subdivision 518 feet, more or less, to the centerline of the right of way of the Chelan-Manson electrical transmission line; thence Southeasterly along that same centerline to the South line of Section 2 and the True Point of Beginning.

DATED this _____ day of _____, 2015.

By: _____
OTIS C. HENDERSON

State of _____)
) ss.
County of _____)

I certify that I know or have satisfactory evidence that Otis C. Henderson is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this _____ day of _____, 2015.

Signature: _____

_____, Notary Public

My Appointment Expires: _____