

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement") is made and entered into as of the 17 day of July 2020, by and between WESTBOURNE ACRES WATER ASSOCIATION, a Washington non-profit corporation, ("Purchaser") and WESTBOURNE ACRES WATER CORPORATION, a Washington Corporation, ("Seller").

RECITALS

1. Seller is the owner of a business known as Westbourne Acres Water Corporation, a Washington profit corporation ("the Business"), and certain related personal property, equipment and intangibles (Seller's Assets").
2. Purchaser is desirous of acquiring Seller's Assets all on terms and conditions herein set forth.

AGREEMENT

1. **Sale of Assets.** On the terms and subject to the conditions set forth in this Agreement, Seller shall convey, transfer, set over and deliver to Purchaser, and shall put Purchaser in actual possession and control of Sellers Assets as more particularly described on **EXHIBIT "A"**.

2. **Terms of Purchase.**

2.1 **Purchase Price.** Purchaser shall pay to Seller the sum of Forty Five Thousand (\$45,000.00), for Seller's Assets, which sum shall be referred to herein as "Purchase Price".

2.2 **Payment.** The Purchase Price together with any adjustments, if any provided for herein shall be paid in cash at Closing.

3. **Contingencies.** The parties' obligations under this Agreement are contingent upon obtaining approval by the Washington State Utilities and Transportation Commission ("UTC"), the Washington State Department of Health ("DOH"), and the Washington State Department of Ecology ("Ecology"). The parties will use good faith efforts to obtain such approval and will execute such other and reasonable documents or agreements required by UTC, DOH, and Ecology consistent with the terms hereof.

4. **Representations and Warranties of Seller.** In connection with this transaction Seller makes the following representations and warranties. All such representations shall survive closing.

4.1 **Assets.** Seller has good title to all the Assets free and clear of any and all

liens, except as set forth herein.

4.2 Corporate Status. Seller is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation.

4.3 Authorization, etc. Seller has the corporate power and authority to execute this agreement and all related or collateral agreements to which it will be a party, to perform fully its obligations thereunder, and to consummate the transactions contemplated thereby.

4.4 **“AS IS” PURCHASE. EXCEPT AS SPECIFICALLY SET FORTH HEREIN SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EITHER EXPRESS OR IMPLIED, RELATING TO THE ASSETS OR BUSINESS SUBJECT OF THIS SALE, NOR DOES SELLER MAKE ANY REPRESENTATIONS AS TO THE ADEQUACY OF THE PREMISES WHERE THE BUSINESS IS CURRENTLY CONDUCTED.** This disclaimer includes, but is not limited to: (1) environmental matters relating to the premises on which the business is situated, including presence, if any, of any hazardous substances as defined by state or federal laws or regulations, (2) zoning considerations, (3) availability of utilities, (4) usages of adjoining properties, and matters of access to the business premises, it being understood and agreed that Purchaser has had full opportunity to make such investigations and inquiries as Purchaser deems appropriate to fully evaluate the suitability of this transaction.

5. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller that, as of the date of this agreement, and on the closing date:

5.1. Authority. Purchaser has all necessary power and authority to enter into this agreement, and if a corporate entity will provide to Seller at closing copies of resolutions authorizing this transaction executed by Purchaser's corporate officers at closing.

5.2. Opportunity for Inspection and Investigation. Purchaser has had, or will have prior to closing, ample opportunity to review and inspect the assets subject of this agreement and has made such investigations and inquiries as to Purchaser seem appropriate to fully evaluate the suitability of this transaction. Purchaser has not relied on, and does not rely upon, any representation of Seller except as specifically set forth herein.

6. Closing.

6.1. Date and Place. Closing shall occur at the office of Seller's attorney, or other mutually agreed location. This closing shall occur, and be effective, no later than ten (10) days following the date the parties obtain the necessary approvals set out in Section 3, above.

6.2. Closing Agent. This Agreement shall be closed in the offices of Seller's

attorney. (herein "Closing Agent"). All parties hereto agree to indemnify, defend and hold harmless Closing Agent from any and all liability incurred as a result of Closing Agent's undertaking.

6.3. Closing Costs. Purchaser shall reimburse one-half of Seller's fees in connection with the actual closing process which reimbursement shall not exceed \$500.00. Each party shall pay the fees and costs of their respective attorneys separate from the actual closing.

6.4. Transfer Taxes. Purchaser shall pay all sales, excise or use taxes imposed by the State of Washington and shall file all requisite sales tax or other tax returns related to or as a result of the transactions contemplated by this Agreement.

6.5. Possession. Purchaser shall be entitled to possession of Seller's Assets at closing.

7. Termination. If this agreement is terminated and/or abandoned due to a breach or default by either party under any provision of this agreement, then the other party shall have the right to specifically enforce this agreement, or to exercise other rights or remedies that may accrue to the non defaulting party under applicable law.

8. Miscellaneous.

8.1. Expenses. Unless otherwise provided herein, each party will pay its own costs and expenses, including legal and accounting expenses, relating to the transaction contemplated by this Agreement, irrespective of when incurred.

8.2. Business Taxes and Expenses. Seller shall pay, be responsible for, and reimburse Purchaser from any and all responsibility as a result of state, federal or local business taxes, expenses or obligations arising out of Seller's business for the period prior to closing including business and employment taxes.

8.3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue in any action brought pursuant to this Agreement shall be in Benton County, Washington.

8.4. Assignment. This Agreement and the rights and obligations hereunder may not be assigned by either party without the prior written consent of the other party.

8.5. Best Efforts. Each party will use its best efforts and good faith to complete all conditions precedent to the Closing in a complete, accurate and timely manner.

8.6. Representation of Counsel. The parties acknowledge and agree that Walker, Heye Meehan & Eisinger, PLLC is representing the Seller in this transaction, and Purchaser has obtained independent counsel to assist them in this regard.

8.7. Attorney's Fees. In the event any party to this agreement is required to employ counsel to enforce the terms hereof, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

IN WITNESS WHEREOF, this Agreement has been executed as of the date set forth above.

PURCHASER:

WESTBOURNE ACRES WATER ASSOCIATION

By: Bruce Einspahr
Print Name: Bruce Einspahr

SELLER:

WESTBOURNE ACRES
WATER CORPORATION

By: Karen E Smith
Print Name: Karen E. Smith

EXHIBIT A

SELLER'S ASSETS

Pumps, pipes, meters, chlorinators, pumphouse, related easements, pressure tank related to use and operation of Westbourne Acres Water Delivery System.; together with related water rights.