

**MEMORANDUM OF PURCHASE - SALE
FOR WATER COMPANIES**

Seller: Tom Harrison
P.O. Box 2818
Pasco, WA 99302-2818

- Purchaser:**
1. **Corey Bitton/Great Basin Water Co.- Burbank LLC**
3035 Rickenbacker Dr.
Pasco, WA 99301
 2. **Corey Bitton/Great Basin Water Co.-Kiona LLC**
3035 Rickenbacker Dr.
Pasco, WA 99301
 3. **Corey Bitton/Great Basin Water Co.-Sunrise LLC**
3035 Rickenbacker Dr.
Pasco, WA 99301

- Water Companies:**
1. **Harrison - Ray Water Company Inc.**
P.O. Box 2818
Pasco, WA 99302-2818

UBI No.: 601-057-514
DOH No.: 314776

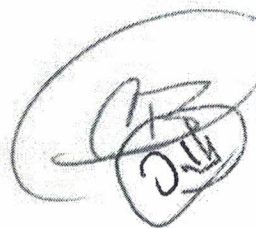
Customers served: 211
 2. **Harrison Water Company - KIONA LLC**
P.O. Box 2818
Pasco, WA 99302-2818

UBI No.: 602-514-161
DOH No.: 10724 H

Customers served: 260
 3. **Sunrise Acres Water Company LLC**
P.O. Box 2818
Pasco, WA 99301-2818

UBI No.: 602-514-160
DOH No.: 85630 h

Customers served: 39



PURCHASE:

The purchase is for 100% of the assets of the water companies identified above, including but not limited to:

- 1) all land, easements, reservations and real property rights associated with water companies;
- 2) all wells, reservoirs, tanks, pumping plants, pumping stations, water piping pumps, meters and related water system components;
- 3) all water systems, water franchise rights, existing and potential water system customers including all tangible and intangible associated rights;
- 4) all water boxes, meters, injectors and other machines, instruments, parts and components associated with the water systems;
- 5) all other parts and components owned by or used by the water companies.

EFFECTIVE DATE:

The effective date of this purchase-sale agreement is January 1, 2021. All income and all expenses generated/incurred as of the 1st of January, 2021 shall be the property of and/or responsibility of purchaser. All water customer A/R due for payment before January 1, 2021 belong to Seller.

PROPERTIES:

1. Seller shall identify all assets included in this sale, i.e.: real estate owned, easements, and rights of use privileges, personal property, water ownership and use rights, permits and grants of authorities from state, county and city governmental agencies.

2. Seller has supplied to purchaser depreciation schedules which represent assets owned by the water companies. Seller represents there are no liens, claims or debts associated with any assets being purchased as part of the water companies or otherwise transferred to purchaser herein.

PURCHASE PRICE AND PAYMENT TERMS:

Total purchase price is the sum of **\$1,035,000.00**.

1. Purchase Terms:

| | |
|----------------|----------------------|
| Burbank: | \$ 450,000.00 |
| Kiona: | \$ 450,000.00 |
| Sunrise Acres: | <u>\$ 135,000.00</u> |

| | |
|----------------|----------------|
| Purchase Price | \$1,035,000.00 |
|----------------|----------------|

2. Payment Terms:

| | |
|----------|---------------------------------|
| Burbank: | Payment is \$2,500.00 per month |
|----------|---------------------------------|



Kiona: Payment is \$2,500.00 per month
Sunrise Acres: Payment is \$ 750.00 per month

Payment is \$5,750.00 per month

Payments shall continue for fifteen (15) years. Total payments: \$5,750.00 monthly thereafter pursuant to promissory note terms, commencing February 20, 2021 and continuing monthly thereafter.

3. Separately the parties have a purchase sale agreement, payable pursuant to separate promissory note terms for a vehicle, trailer and backhoe:

| | |
|----------------------|--------------------|
| 1990 Case Backhoe | \$25,000.00 |
| 1996 Chevrolet Truck | \$ 5,000.00 |
| Haulmark Trailer | <u>\$ 4,000.00</u> |
| TOTAL | \$34,000.00 |

POWER BILL:

Purchaser shall secure electrical power for all water systems with appropriate electrical utility companies, holding seller harmless from future power expense.

SELLER SECURITY:

Purchaser will grant security to seller in all assets being purchased with Deeds of Trust for security on real property and/or real property easements and rights of use, and security agreement with UCC filing on personal property.

CUSTOMER SECURITY DEPOSITS:

Seller represents there are no customer security deposits existing and none are being transferred to purchaser in this transaction.

WELLS, DEEDED LAND, EASEMENT LAND RIGHTS, SANITARY EASEMENT RIGHTS:

1. Included in this sale are the ownership and rights of operation for all wells, and water rights associated with the water companies which shall be transferred to the appropriate water company purchaser.

2. Included in this sale are the ownership rights and/or easement right owned by and/or utilized by such water company. Seller will identify and transfer to appropriate purchaser.



3. Excess water rights, if any, which are included in this purchase-sale will be owned equally, after sale, by seller and purchaser. Net proceeds, if any, following sale shall be paid one-half to each party.

ATTORNEY REPRESENTATION:

Attorney Crane Bergdahl drafted this agreement and supporting documents. His client is Corey K. Bitton / Great Basin Water Company LLC, Great Basin Water Company Burbank LLC, Great Basin Water Company Kiona LLC, and Great Basin Water Company Sunset Acres LLC. It is the responsibility of Tom Harrison to provide his own attorney, if he wishes. Crane Bergdahl does not represent the legal or business interests of Tom Harrison.

TAX STATEMENTS:

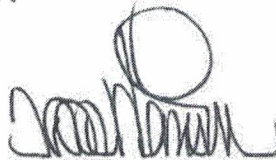
Seller and all three water companies receive county tax statements from Walla Walla County and Benton County. All real property taxes are paid in full. Copies of tax statements are furnished herewith to purchaser.

FINAL CLOSING:

The parties agree to a final formal closing of this transaction to take place at the office of Crane Bergdahl, Pasco, Washington not later than July 20, 2021. It shall be the obligation of the parties to gather and obtain balance of information and documentation necessary for final formal closing. Seller will provide title insurance in a Purchaser's Policy of title insurance on all deeded land, reservations, and real property easements valued at \$500,000.00

DATED this 1 day of January, 2021.

SELLER



TOM HARRISON

PURCHASER



Great Basin Water Company Burbank LLC

Great Basin Water Company Kiona LLC

Great Basin Water Company Sunrise LLC

By: **COREY K. BITTON, Member, Manager**