

**PUBLIC UTILITY DISTRICT NO. 1 OF  
JEFFERSON COUNTY  
RESOLUTION NO. 2024-010**

A RESOLUTION of the Board of Commissioners of the Public Utility District No 1 of Jefferson County, Washington (“the PUD”), authorizing an offer to purchase certain real estate in Port Townsend, Washington.

**WHEREAS**, the PUD has reviewed and evaluated a proposal regarding the purchase of certain real estate (further described in Exhibit A) located at 193 Otto Street Port Townsend, Washington from the owner of the property (“Owner”); and


**WHEREAS**, at the April 2, 2024 Regular Meeting of the PUD’s Board of Commissioners, the Commissioners adopted a motion authorizing the General Manager to take the steps necessary to evaluate the purchase of the property at 193 Otto Street, Port Townsend, Washington, at the appraised price of One Million One Hundred Sixty Thousand Dollars (\$1,160,000), and the General Manager has prepared a purchase and sale agreement with the Owner of the real estate for the appraised value; and

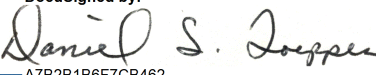
**WHEREAS**, pursuant to RCW 54.16.020 the PUD is authorized to purchase property and facilities that aid the PUD in providing its services, and the Board of Commissioners determines that the purchase of the Owner’s real estate will benefit the PUD; and

**WHEREAS**, the cost to purchase the real estate is One Million One Hundred Sixty Thousand Dollars (\$1,160,000), the appraised value, as well as certain necessary Closing costs.

**NOW, THEREFORE, BE IT RESOLVED**, that Board of Commissioners of the PUD finds that the purchase of the real estate will be useful for the PUD, and the PUD is authorized to execute a purchase and sale agreement for the purchase the real estate on 193 Otto St. for up to One Million One Hundred Sixty Thousand Dollars (\$1,160,000) and any additional Closing costs as may be required;

**BE IT FURTHER RESOLVED**, that General Manager is authorized to execute all documents and agreements consistent with the proposed purchase of the real estate, and to take all actions necessary to complete the purchase and sale process so long as generally consistent with the proposed purchase and sale agreement attached as Exhibit A to this Resolution.

DocuSigned by:  
  
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Jeff Randall, President

DocuSigned by:  
  
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Dan Toepper, Vice President

DocuSigned by:  
*Kenneth Collins*  
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Kenneth Collins, Secretary

**EXHIBIT A**

Proposed Purchase and Sale Agreement

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (Agreement) is entered into on May 14, 2024 by and between **Alaska Power & Telephone, Company**, an Alaska state corporation, (“Seller”) and **Jefferson County Public Utility District No. 1** (“JPUD” or “Buyer”).

### RECITALS

A. Seller owns certain real property, whose **Tax Parcel No. is \_948603704\_** and legally described as set forth in Exhibit A attached hereto (the "Property").

B. Buyer desires to acquire the Property from Seller, and Seller is willing to sell and convey the Property to Buyer, on and subject to the terms of this agreement (the “Agreement”).

### AGREEMENT

Now, therefore, for valuable consideration, the parties agree as follows:

1. **Sale and Purchase.** Buyer agrees to purchase the Property from Seller and Seller agrees to sell the Property to Buyer for the sum of **\$1,160,000** (One Million One Hundred and Sixty Thousand Dollars)(the “Purchase Price”).

2. **Earnest Money Deposit**

Seller hereby acknowledges deposits of the sum of **\$30,000.00** (Thirty Thousand Dollars) in Escrow, payable on removal by Buyer of the conditions set forth in Section 6 below, at Closing.

3. **Payment of Purchase Price.** The Purchase Price must be paid as follows:

3.2 The Purchase Price, in the amount of **\$ \$1,160,000** (One Million One Hundred and Sixty Thousand Dollars) will be paid in full by the Buyer at Closing.

4. **Closing.** Time is of the essence. Closing must take place on a mutually agreed date, but in no event later than **June 10, 2024** (the “Closing Date”), at the **offices of Jefferson County Title Company** (the “Escrow Holder”), **2205 Washington St, Port Townsend, WA 98368**. The terms *Closed*, *Closing* or *Closing Date* mean when the Statutory Warranty Deed (form of which is attached as Exhibit B) is recorded and funds are paid to Seller, and accompanied by an affidavit certifying Buyer is not a foreign corporation, foreign partnership, foreign trust or foreign estate and the parties comply with the Foreign Investment in Real Property Tax Act.

4.1 **Escrow.** Subject to the prior satisfaction or written waiver of the conditions to Closing set forth in this Agreement including those in Section 6, and all other conditions set forth in this Agreement, Closing of this Agreement shall occur through an escrow (the “Escrow”) with Escrow Holder on the Closing Date.

**4.2. Costs and Prorations.** Seller shall pay the cost of a standard coverage policy of title insurance required hereby and all charges for any endorsements, all real property excise taxes due and payable in connection with the sale of the Property, recording fees for title clearance matters undertaken, and one-half (1/2) of the Title Company's escrow fee. Buyer shall pay the difference in premiums between standard and extended coverage title insurance the remaining one half (1/2) of the Title Company's escrow fees and the cost of recording the Deed. All other costs related to this transaction shall be paid by the Buyer. All real and personal property taxes shall be prorated between Seller and Buyer as of the Closing Date. The real property taxes shall be prorated using the most recent tax information available and shall be re-prorated after the Closing Date if the actual tax assessments vary from tax information utilized to calculate prorations at Closing.

**4.3. Escrow Instructions.** This Agreement is intended by the parties to set forth the Escrow instructions to the Title Company. Nonetheless, Seller and Buyer agree to execute and deliver to Title Company any additional instructions requested by the Title Company for the purpose of consummating this transaction, provided that any such additional instructions are not inconsistent with this Agreement .

**5. Preliminary Title Report.** Within 10 business days after full execution of this Agreement, Seller will furnish to Buyer a preliminary title report showing the condition of title to the Property, together with copies of all exceptions listed therein (the "Title Report"). Buyer will have 10 days from receipt of the Title Report to review the Title Report and to notify Seller, in writing, of Buyer's disapproval of any exceptions shown in the Title Report. Those exceptions the Buyer does not object to are referred to below as the "Permitted Exceptions." Zoning ordinances, building restrictions, taxes that are not yet paid for the current tax year, and reservations in federal patents and state deeds will be deemed Permitted Exceptions. If Buyer notifies Seller in writing of disapproval of any exceptions, Seller will have 10 days after receiving the disapproval notice to either remove the exceptions or provide Buyer with reasonable assurances regarding the manner in which the exceptions will be removed before the transaction closes (the "Seller Assurance Period"). If Seller does not remove the exceptions or provide Buyer with such assurances, Buyer may terminate this Agreement by written notice to Seller given within 10 business days after expiration of the Seller Assurance Period, in which event the earnest money will be refunded to Buyer and, when applicable, this Agreement will be of no further binding effect.

**6. Condition.**

**6.1** Buyer's obligation to purchase the Property is contingent on satisfaction of Buyer's approval of its physical inspection of the Property. Buyer will have 30 (thirty) calendar days after full execution of this Agreement to complete its physical inspection of the Property, including but not limited to a septic inspection. However, if Buyer wishes to conduct any invasive testing on any portion of the Property, or any sampling of soils or other elements of the Property for any purposes, advance consent from the Seller will first be sought.

**6.2** Buyer and its agents shall have full access to the Property for the purpose of conducting Buyer's inspections. Buyer agrees to indemnify, defend, and hold Seller harmless from all loss, damage, or liability caused as a result of Buyer or Buyer's agents' access to the Property under this section.

**6.3** Buyer will have 5 business days following completion of the physical inspection period to notify Seller, in writing, of Buyer's disapproval of any condition of the Property. If Buyer is not satisfied, in its sole discretion, with the result of Buyer's inspections, Buyer may terminate this Agreement by written notice to Seller given at any time before the applicable date set forth above, in which event the earnest money must be refunded to Buyer. If Buyer fails to give any such notices of termination within the applicable time period, this condition will be deemed to have been waived.

**6.4** As of the date of Closing, there shall not have been a material adverse change in the physical or other condition of the Property between the date of this Agreement and the Closing Date, ordinary wear and tear excepted.

**6.5** Buyer's obligation to purchase Property is subject to approval by the Board of Commissioners of Jefferson County PUD No. 1 within 45 calendar days after complete execution of this Agreement, but in no event without sufficient time to close this transaction on June 2, 2024, as required by Paragraph 4.

**7. Documentation at Closing.** On the Closing Date, unless agreed otherwise herein, Seller will convey marketable title to the Property by statutory warranty deed, free and clear of all liens of record, excepting property taxes that are not yet payable, zoning ordinances, building and use restrictions, reservations in federal patents, and the Permitted Exceptions, if any.

**8. Title Insurance.** At the Closing Date, Seller must furnish Buyer with an ALTA Extended Coverage Owner's Policy of Title Insurance, covering the Property, in the amount of the Purchase Price, and subject to no exceptions to title except the Permitted Exceptions, as further detailed in Section 5.

**9. Possession.** Buyer will be entitled to possession immediately on Closing.

**10. Property and Improvements Included.** All improvements, and all fixtures are part of the Property and must be left on the Property by Seller. Buyer shall accept improvements and fixtures AS IS.

**11. Seller's Representations.** Seller represents that it is the owner of the Property, has the authority to enter into this Agreement, and agrees to grant title, free and clear of all liens, and claims except for those agreed to by Buyer consistent with Sections 5 and 6 above. To the Seller's knowledge, the Property is in compliance in all material respects (both as to condition and use) with all applicable statutes, ordinances, codes, rules and regulations of any governmental authority having jurisdiction over the Property (including those related to zoning, building, subdivision, pollution, environmental protection, and engineering), including all conditions contained in any certificate of occupancy covering any of the Property. Seller has no knowledge of any facts that contradict or might give rise to any violation of the foregoing matters. Subject to Seller's written representations contained herein, any additional seller assurances, and any statutory property disclosures given as part of this transaction, Buyer acknowledges that Buyer has accepted and

executed this Agreement on the basis of Buyer's own examination and personal knowledge of the Property ; that Seller and Seller's agents have made no representations, warranties, or other agreements concerning matters relating to the Property; that Seller and Seller's agents have made no agreement or promise to alter, repair, or improve the Property; and that Buyer takes the Property in its present condition "AS IS."

**11.1. Hazardous Substances.** Neither Seller nor, to the best of Seller's knowledge, any third party has used, generated, manufactured, stored or disposed of any Hazardous Substance in, at, on, under or about the Property or transported any Hazardous Substance to or from the Property. To the best of Seller's knowledge, the Property is not in violation, nor has been or is currently under investigation for violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene, worker health and safety, or to the environmental conditions in, at, on, under or about the Property including, without limitation, soil and groundwater conditions. To the best of Seller's knowledge, there has been no discharge, migration or release of any Hazardous Substance from, into, on, under or about the Property, and there is not now, nor has there ever been on or in the Property underground storage tanks, or surface or below-grade impoundments, any asbestos-containing materials or any polychlorinated biphenyls used in hydraulic oils, electrical transformers or other equipment. The term "Hazardous Substance" means any hazardous or toxic substance, material or waste, pollutants or contaminants, as defined, listed or regulated now or in the future by any federal, state or local law, ordinance, code, regulation, rule, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any environmental conditions, health or industrial hygiene, including without limitation, (i) chlorinated solvents, (ii) petroleum products or by-products, (iii) asbestos, (iv) polychlorinated biphenyls, and (v) anything that would be a hazardous waste, material or substance, toxic substance or pollutant, as defined under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq.; Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Clean Water Act, 42 U.S.C. § 1251 et seq.

**12. No Violation of Law.** There is no condition of the Property that violates any applicable law or governmental requirements which would have a material, adverse impact on the use, development or operation of the Property, except for what is contained in Section 6 of this Agreement, nor does there exist any uncured notices which have been served by any Authority of violations of laws, rules or regulations which would affect the Property or any portion thereof or its use and operation.

**13. Binding Effect/Assignment Restricted.** This Agreement is binding on and will inure to the benefit of Seller, Buyer, and their respective heirs, legal representatives, successors, and assigns. Nevertheless, Buyer will not assign its rights under this Agreement without Seller's prior written consent, which may be withheld in Seller's reasonable discretion.

**14. Remedies.** TIME IS OF THE ESSENCE REGARDING THIS AGREEMENT. If the conditions described in Section 6 above are satisfied or waived by Buyer and Buyer fails or refuses to Close this transaction, through no fault of Seller, Seller will be entitled to retain or collect all Earnest Money paid or agreed to be paid, as liquidated damages, and this Agreement will be of

no further effect, it being the intention of the parties that Buyer may forfeit the Earnest Money and be free of any further obligations under this Agreement. If Seller fails to deliver the deed described in Section 7 above on the Closing Date or otherwise fails or refuses to Close this transaction, through no fault of Buyer, all earnest money will be refunded to Buyer. Acceptance by Buyer of the refund will not constitute a waiver of other remedies available to Buyer, it being the intention of the parties that Buyer will retain all available remedies for breach of contract, including but not limited to the right of specific performance.

**15. Indemnification.** (a). Seller shall indemnify, defend and hold harmless Buyer, its officers, directors, employees or agents, and its successors and assigns, from and against any third party claims, demand or action to the extent caused by or arising out of:

- (i) Any breach or default in the performance by Seller of any promise or agreement of Seller contained in this Agreement;
- (ii) Any breach of a warranty or representation made by Seller in this Agreement;
- (iii) Any cause of action related to or involving the Property and any assets sold prior to Closing;
- (iv) Any liability arising out of any and all actions, suits, proceedings, claims, demands, judgments, damages, costs and expenses, including reasonable attorneys' fees, incident to any of the foregoing.

(b). Buyer shall indemnify, defend and hold harmless Seller, its officers, directors, employees or agents, and its successors and assigns, from and against any third party claims, demand or action to the extent caused by or arising out of:

- (i) Any breach or default in the performance by Buyer of any promise or agreement of Buyer contained in this Agreement;
- (ii) Any breach of a warranty or representation made by Buyer in this Agreement;
- (ii) Any cause of action related to or involving the Property and any assets sold arising after Closing;
- (iii) Any liability arising out of any and all actions, suits, proceedings, claims, demands, judgments, damages, costs and expenses, including reasonable attorneys' fees, incident to any of the foregoing.

**16. Attorney Fees.** If an action is instituted to enforce or interpret all or any portion of this Agreement, the prevailing party will recover from the losing party reasonable attorney fees incurred in the action.

**17. Notices.** All notices and communications in connection with this Agreement must be given in writing and will be transmitted by certified or registered mail, return receipt requested, to the appropriate party at the address first set forth above. Any notice so transmitted will be deemed effective on the date it is placed in the United States mail, postage prepaid. Either party may, by written notice, designate a different address for purposes of this Agreement.

**18. Entire Agreement.** This Agreement sets forth the entire understanding of the parties with respect to the purchase and sale of the Property. This Agreement supersedes any and



all prior negotiations, discussions, agreements, and understandings between the parties. This Agreement may not be modified or amended except by a written agreement executed by both parties.

**19. Applicable Law.** This Agreement will be construed, applied, and enforced in accordance with the laws of the state of Washington. Venue shall be in Jefferson County Superior Court.

**20. Acceptance.** This Agreement will be null and void unless accepted by Seller, by Seller's execution of it, on or before May 30, 2024.

**21. Condemnation; Casualty.** If, prior to Closing, any portion of the Property is taken by any entity by condemnation or with the power of eminent domain, or if the access thereto is reduced or restricted thereby (or is the subject of a pending or threatened taking which has not yet been consummated), or if the Property is damaged by a casualty or natural disaster, then upon the occurrence of any of such events Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the right, in Buyer's sole discretion, to terminate this Agreement and the Escrow upon written notice to Seller and Title Company not later than seven (7) days after receipt of Seller's notice thereof. If this Agreement and the Escrow are so terminated, all documents and funds, including the Deposit then paid by Buyer, shall be returned by Escrow Holder to each party who so delivered the same, and neither party shall have any further rights or obligations hereunder, except for payment of escrow cancellation fees which shall be borne equally by Buyer and Seller. Alternatively, Buyer may proceed to consummate the transaction provided for herein at Buyer's sole election, in which event Seller shall assign and turn over, and Buyer shall be entitled to receive and keep, any and all awards or insurance proceeds made or to be made in connection with such condemnation or eminent domain or casualty, and the Parties shall proceed to the Closing pursuant to the terms hereof, without any reduction in the Purchase Price.

**22. Broker.** Each party shall indemnify, defend and save the other party harmless from and against any claims, fees (including attorneys' fees and costs) or costs arising out of any claim made by any broker, finder or agent claiming a commission or fee is due by or through the indemnifying party. The indemnifications set forth in this Section shall survive Closing.

**23. No Partnership.** This Agreement shall not be construed as in any way establishing a partnership, joint venture, express or implied agency, or employer-employee relationship between Buyer and Seller.

**24. No Third-Party Beneficiaries.** This Agreement is for the sole benefit of Buyer and Seller and their respective successors and assigns, and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement.

**25. No Waiver.** No consent or waiver, express or implied, by either party to or of any breach of any representation, covenant or warranty of the other party shall be construed as a consent or waiver to or of any other breach of the same or any other representation, covenant or warranty.

26. **Survival of Warranties.** The terms, covenants and representations and warranties set forth in Section 11 of this Agreement shall not merge in the deed of conveyance, but shall survive Closing and run to the benefit of the parties.

26. **Form 17 Disclosure and Waivers.** PURSUANT TO RCW 64.06 BUYER HEREBY WAIVES ITS RIGHT TO RECEIVE THE SELLER DISCLOSURE STATEMENT REFERRED TO THEREIN. THIS WAIVER DOES NOT EXTEND TO THE SECTION OF THE DISCLOSURE STATEMENT ENTITLED "ENVIRONMENTAL".


**SELLER:**

**Alaska Power & Telephone, Company.**

By:   
\_\_\_\_\_  
William Marks, CEO

**BUYER:**

**Jefferson County PUD No. 1**

By:   
\_\_\_\_\_  
Kevin Streett, General Manager

**EXHIBIT A**  
**LEGAL DESCRIPTION OF THE PROPERTY**

2024 05 10

**EXHIBIT B**  
**FORM OF STATUTORY WARRANTY DEED**

**STATUTORY WARRANTY DEED**

THE GRANTOR(S) \_\_\_\_\_, for and in consideration of Ten And No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid, conveys, and warrants to Jefferson County PUD No. 1 the following described real estate, situated in the County of Jefferson, State of Washington:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF  
Abbreviated Legal: (Required if full legal not inserted above.) \_\_\_\_\_  
Tax Parcel Number(s): **001212028**

Subject to:  
SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

**Dated:**

**Alaska Power & Telephone Company**

By: \_\_\_\_\_

**STATE OF WASHINGTON)**

County of \_\_\_\_\_ ) ss.  
\_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, before me, personally appeared \_\_\_\_\_, and acknowledged the instrument to be the free and voluntary act and deed of \_\_\_\_\_ for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute the instrument.  
GIVEN under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 201\_.

**Print Name:**  
**NOTARY PUBLIC for the State of Washington**  
**My Commission Expires:**

**TITLE COMPANY ACKNOWLEDGMENT**

The undersigned Title Company acknowledges its receipt of an executed copy of this Agreement as of the date set forth below, and agrees to comply with the terms of this Agreement applicable to Title Company.

**JEFFERSON COUNTY TITLE COMPANY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Legal Description**Parcel 1:**

That portion of Lot 2 of Kearney's Plat, as per Plat recorded in Volume 1 of Plats, Page 6, Records of Jefferson County, Washington, lying westerly of a line 90 feet westerly from and parallel to the existing Port Townsend gravity water line; except the southerly 172.79 feet as described in deed to Thermionics Northwest, Inc., recorded February 7, 1996 under Auditor File No. 388479.

**Parcel 2:**

That portion of Block 37, Eisenbeis Bayview Addition, as per Plat recorded in Volume 2 of Plats, Page 54, Records of Jefferson County, Washington, which lies westerly of a line 90 feet westerly from and parallel to the existing Port Townsend gravity water line; excepting therefrom that portion lying westerly of the northerly extension of the west line of Lot 2 of Kearney's Plat, as per Plat recorded in Volume 1 of Plats, Page 6, Records of said county.

**Parcel 3:**

An easement for ingress, egress and underground utilities described as follows:

The north 20 feet of Lot 3 of the Sperry/Slater Short Plat, recorded in Volume 2 of Short Plats, Page 39, enlarged by Tax 30 (Tax 30: the south 172.79 feet of that portion of Lot 2 of Kearney's Plat, Volume 1 of Plats, Page 6, lying westerly of a line 90 feet westerly from and parallel to the existing Port Townsend gravity water line in the northeast quarter of the northwest quarter of Section 21, Township 30 North, Range 1 West, W.M., per Exhibit 1 of Boundary Line Adjustment recorded on or about October 24, 1995, under Auditor's File No. 385792), Records of Jefferson County.

Also, the south 20 feet of Lot 4 of the Perry/Slater Short Plat recorded in Volume 2 of Short Plats, Page 39, Records of Jefferson County.

Also the south 20 feet of that portion of Lot 2 of Kearney's Plat, as per Plat recorded in Volume 1 of Plats, Page 6, Records of Jefferson County, Washington, lying westerly of a line 90 feet westerly from and parallel to the existing Port Townsend gravity water line; except the southerly 172.79 feet as described in deed to Thermionics Northwest, Inc., recorded February 7, 1996 under Auditor File No. 388479.

All situate in the County of Jefferson, State of Washington.

DS  
KS

DS  
WDM

5/17/2024

5/17/2024