

**PURCHASE OF REAL PROPERTY**

WHEREAS, the East Wenatchee Water District (the "Water District") is the joint owner of real property located at 692 Eastmont Avenue in East Wenatchee, Washington (the "Property") along with the Douglas County Sewer District (the "Sewer District"), and

WHEREAS, both the Water District and the Sewer District are in need of additional space and the Water District has decided its best interests are to purchase real property located at 455 6th Street NE, East Wenatchee, Washington (the "Cherry Hill Property") owned by Larry King, Margaret King, Christopher Quinn, and Kelley Quinn (the "Owners"), and

WHEREAS, the assessed value of the Cherry Hill Property is \$1,110,000.00 (the "Assessed Value"); and,

WHEREAS, the Water District obtained an appraisal of the Cherry Hill Property and the appraised value in that appraisal was \$1,041,000.00 (the "Appraised Value"); and,

WHEREAS, the Water District and the Owners entered into negotiations regarding the Cherry Hill Property. After negotiations, the lowest the Owners would accept for the Cherry Hill Property was \$1,200,000.00. The Board of Commissioners and Water District staff believe this to be a fair price for the Cherry Hill Property and believe it to be in the Water District's best interests to sell its interest in the Property and purchase the Cherry Hill Property. Factors that went into this consideration were:

- The size, age and layout of the Cherry Hill Property;
- The pre-existing building present on the Cherry Hill Property (i.e., the Water District considered building a new building on vacant land);
- The proximity of the Cherry Hill Property to the Water District's current location, including the lack of disruption both to the Water District and its customers that moving to the Cherry Hill Property would cause;
- The proximity of the Cherry Hill Property to the operations of the Sewer District so as to maintain consistency and cooperation among the districts, including but not limited to the exchange of information and the sharing of resources;
- The lack of marketability of the Water District's interest in the Property;
- The opportunity to safely and effectively divorce itself from joint ownership of the Property and the Sewer District;
- The available resources of the Water District;
- The central location of the Cherry Hill Property in comparison with other properties available (i.e., in Baker Flats or near the airport) and prime access on Eastmont Ave.;
- The plans of the Water District for future growth;
- The costs of condemnation of the Cherry Hill Property would eat into and potentially overcome any difference between the actual value and the price to be paid; and,

WHEREAS, the Water District wishes to purchase and the Owners wish to sell the Cherry Hill Property under the terms and conditions of a purchase and sale agreement attached hereto as Exhibit "A" (the "PSA"), and,

WHEREAS, the due diligence on the Property has been performed, including title company due diligence, due diligence regarding remodel and other standard due diligence;

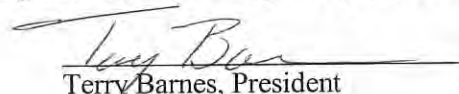
WHEREAS, after conducting due diligence, the Water District, its staff and its Board of Commissioners are comfortable entering into the PSA, which has very few contingencies;

WHEREAS, the Board of the Commissioners of the Water District approves of the PSA, and

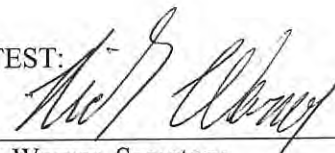
WHEREAS, by separate resolution the Board of the Commissioners of the Water District approves of and authorizes the sale of the Water District's interest in the Property to the Sewer District, and

NOW THEREFORE be it RESOLVED by the BOARD OF THE COMMISSIONERS, THAT, the Water District Manager, Vince Johnston, has authority to sign the PSA on behalf of the Water District. Vince Johnston, however, only has the authority to sign the PSA under the following conditions: (1) the Water District has in hand a final and binding signature of the Sewer District on the purchase and sale agreement for the Property; and, (2) the Water District has in hand a final and binding signature of the Owners on the PSA for the Cherry Hill Property.

ADOPTED, by the BOARD OF COMMISSIONERS of the EAST WENATCHEE WATER DISTRICT, Douglas County, Washington at a regular meeting thereof, this 12<sup>th</sup> day of April 2023.

  
Terry Barnes, President

ATTEST:

  
Nick Warner, Secretary