

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

DRAFT

STOCK AND OWNERSHIP INTERESTS PURCHASE AGREEMENT

between

Vector Holdings, LLC,
an Idaho Limited Liability Company

and

Israel Ray, an Individual and the Majority
Shareowner of the Atlanta Power Company

Dated as of August 26, 2022

TABLE OF CONTENTS

LIST OF EXHIBITS

ARTICLE ONE

PREAMBLE

ARTICLE TWO

RECITALS

ARTICLE THREE

DEFINITIONS AND CONSTRUCTION

ARTICLE FOUR

PURCHASE AND SALE

ARTICLE FIVE

CONDITIONS PRECEDENT TO CLOSING

ARTICLE SIX

PAYMENT TERMS

ARTICLE SEVEN

REPRESENTATIONS AND WARRANTIES OF THE SELLER

ARTICLE EIGHT

CONTRACTS AND PERMITS

ARTICLE NINE

BANK ACCOUNTS

ARTICLE TEN

MATERIAL MISSTATEMENTS OR OMISSIONS

ARTICLE ELEVEN

INDEMNIFICATION

ARTICLE TWELVE

MISCELLANEOUS

LIST OF EXHIBITS

Exhibit A

Promissory Note.

Exhibit B

Description of Land Transferred from Seller to Buyer

Exhibit C

Description of Land Transferred from Buyer to Seller

Exhibit D

Contracts

Exhibit F

Permits

Exhibit G

List of Company Assets being transferred

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

STOCK PURCHASE AGREEMENT

**ARTICLE 1
PREAMBLE**

This **Stock Purchase Agreement** (together with all exhibits appended hereto, (“**Agreement**”) dated as of _____, 2022 (the “**Effective Date**”), is made by and between Vector Holdings, LLC, an Idaho limited liability company, of Boise, Idaho (“**Buyer**”) and Israel Ray of Caldwell, Idaho (Seller). Buyer and Seller each may be referred to herein as a “**Party**”, and collectively as the “**Parties**”.

**ARTICLE 2
RECITALS**

WHEREAS, Seller owns, beneficially and of record, and/or equitably the majority of the authorized and outstanding stock and ownership interests (“**Ownership Interests**”) of the Atlanta Power Company, Inc., an Idaho Corporation (“**Company**”);

WHEREAS, Company is an Electrical Corporation and Regulated Public Utility pursuant to Title 61 of the Idaho Code and is subject to the regulatory jurisdiction of the Idaho Public Utilities Commission (“**Commission**”);

WHEREAS, Seller desires to sell, and Buyer desires to purchase, on the terms and subject to the conditions of this Agreement, the Ownership Interests of the Company;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**ARTICLE 3
DEFINITIONS AND CONSTRUCTION**

3.1 Specific Definitions. When used in this Agreement, the following terms shall have the meaning ascribed to them below:

“**Applicable Law**” shall mean laws, ordinances, orders, judgments, rules, regulations, approvals, licenses, permits, and requirements of all regulatory and other Governmental Authorities having jurisdiction, as applicable, over the Seller, the Company, the Company’s Assets and or the Site.

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

“**Assets**” shall mean, all right, title and interest of the Company in and to all rights of any kind, whether tangible or intangible, real or personal, including land and properties, rights-of-way, leaseholds, easements, buildings, equipment, machinery, improvements, fixtures, agreements, Contracts, hydrologic data, reports and studies (including those related to environmental, cultural, resource and fish-and-wildlife matters), Permits, licenses, inventory, books and records, proprietary rights, cash, accounts receivable, deposits and prepaid expenses. The Assets of the Company included in this sale are described on Exhibit G.

“**Contract**” shall mean any and all agreements, rights-of-way, easements, deeds, understandings or any other material documents, written or oral, entered into by the Seller or the Company that relate in any way to the Company. “Contract” also means all of the material documents relating to the employment of, or the performance of services by, any person or entity on behalf the Company.

“**Governmental Authority**” shall mean any national, state, county, municipal or local government or any political subdivision thereof, or any court or administrative tribunal or any arbitrator with the authority to bind a party at law.

“**Permits**” shall mean all permits, licenses, approvals, consents, franchises, entitlements and other authorizations issued by Government Authorities.

“**Reports**” shall mean any and all reports and studies related to the development, construction, operation, maintenance, financing or ownership of the Company’s assets prepared, commissioned by, or delivered to, Seller or an affiliate of Seller, including reports and studies related to environmental, cultural resources, natural resources or fish and wildlife.

“**Tax**” shall mean any tax (including income tax franchise tax, capital gains tax, estimated tax, ad valorem tax, sales tax, use tax, property tax, withholding tax or payroll tax) assessment or fee (including related fines, penalties or interest) that is accrued or imposed or assessed against the Company as of the date of Closing.

**ARTICLE 4
PURCHASE AND SALE**

4.1 Purchase and Sale; Closing. Subject to and upon the terms and conditions of this Agreement, including all Conditions Precedent, unless waived in writing by Buyer, and upon satisfaction of the Conditions Precedent to Closing, Seller shall sell, assign, transfer and deliver to Buyer and Buyer shall purchase, acquire and accept from Seller, all of the Seller’s Ownership Interests including stock certificates in the Company so that Buyer shall directly own all of the Ownership Interests of the Company.

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

4.2 Buyer Declaration of Closing Date. Upon the satisfaction of all Conditions Precedent to Closing, or said conditions having been waived by Buyer, Buyer shall declare the Closing Date.

ARTICLE 5
CONDITIONS PRECEDENT TO CLOSING

5.1 Commission Approval. It is a Condition Precedent to closing that the Commission issue its order approving this Agreement and dismissing the fines assessed under Final Order # 35465 with no adverse material condition or qualification and that said order approving this Agreement be final and non-appealable. The determination of what is, or what is not, an adverse material condition or qualification shall be made at the sole discretion of either the Buyer or the Seller and must be communicated prior to the date the Commission's order becomes final and non-appealable.

5.2 Documentation. It is a Condition Precedent to Closing that Seller delivers to Buyer all certificates representing its Ownership Interests in the Company and all executed transfer documentation in respect of Seller's Ownership Interests as may reasonably be required by the Buyer.

ARTICLE 6
PAYMENT TERMS

6.1 Payment

Payment by Buyer will take two distinct forms as detailed in Sections 6.2 and 6.3 below. In combination, the payments in Sections 6.2 and 6.3 comprise the entire purchase price with the payments in Section 6.3 being explicitly contingent upon certain of Seller's conditions antecedent.

6.2 Payment Via Note for \$365,000.

In partial satisfaction of the total purchase price, Buyer shall issue a secured promissory note to Seller for the total purchase price of three hundred sixty-five thousand dollars (\$365,000). The promissory note will have the following terms: (a) the interest rate shall be three percent (3%) which rate shall be fixed until the promissory note is repaid in full; and (b) the promissory note will be amortized with payments by Buyer of equal monthly installments of principal and interest for fifteen (15) years payable on the first day of each succeeding month following the date of Closing, or until paid in full. If the Buyer prepays the promissory note, it will make a final payment of remaining principal and accrued interest to the date of prepayment. There shall

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

be no prepayment penalty if prepayment is made. A copy of the promissory note is attached to this Agreement as Exhibit A.

6.3 Payment Via Power Bill Credit.

In addition to payments on the Note as detailed in Section 6.1, Buyer shall create a contingency liability on the books of the Atlanta Power Company books in an original amount of \$155,000, the sum of which shall escalate at the rate of five percent (5%) annually. The principal and interest on said \$155,000 shall be credited in an amount equal to the monthly electrical bill (the rates for which bill shall fluctuate with the Atlanta Power Company's general rates) at Seller's residence in Atlanta, Idaho more particularly described as **170 Middle Fork Rd., Atlanta, Idaho 83716**. The monthly credit will apply to all electric consumption up to 6,000 kWh until the corpus of the \$155,000 and accumulated interest, have been fully credited as described herein or until otherwise terminated as described herein. Seller shall be responsible for paying the cost of any electric consumption over the 6,000 kWh monthly limit. Buyer's obligation to credit Seller's electric bill will terminate upon the occurrence of any of the following: (1) the principal and interest are fully credited; or (2) Seller transfers ownership to the property to any third person or entity including Seller's estate in the event of Seller's death; or (3) Seller causes the name on the account to be changed.

6.4 Real Property Exchange

The Parties further agree that a land 'swap' is necessary to complete the consideration of the sale such that Seller will grant title in fee simple to Buyer to a certain portion of that parcel of land which the Atlanta Power Company is currently using for miscellaneous storage and backup generators more particularly described on Exhibit B, attached hereto and incorporated by this reference, and in exchange for said grant of title, Buyer will grant to Seller in fee simple a certain portion of that parcel of land abutting Seller's residence more particularly described on Exhibit C, attached hereto and incorporated by this reference.

6.5 Further Assurances. At any time after the Closing Date, at Buyer's reasonable request, Seller shall promptly execute, acknowledge and deliver all such further acts, assurances and instruments of sale, transfer, conveyance and confirmation as are reasonable required, and take all such other action as Buyer may reasonable request, to transfer, convey, assign and confirm Buyer's right, title and interest to the Ownership Interests and to otherwise effect the intent of this Agreement.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF THE SELLER

7.1 Seller represents, warrants and covenants to Buyer the following, to wit:

Stock Purchase Agreement
Vector Holdings, LLC (Buyer)
Israel Ray (Seller)
Page 7

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

7.1.1 That Seller is the sole beneficial and record owner of the Ownership Interests of the Company, and;

7.1.2 That the Company is an Idaho Corporation duly organized, validly existing and in good standing under the laws of the State of Idaho, and that it has all requisite power and authority to own its Assets and to carry on its business as now being conducted.

7.1.3 That Seller and the Company have all requisite power and organizational authority to execute and deliver the documents required to be delivered to consummate the transactions contemplated herein.

7.1.4 That no other Persons own an option or other right (contingent or otherwise), including any right of first refusal or right of first offer, to acquire the Ownership Interests of the Company or any equitable or other ownership interest in the Company.

7.1.5 That this Agreement has been duly authorized, executed and delivered by Seller.

7.1.6 That, to Seller's knowledge, there are no facts, circumstances, proposals, plans, or investigations which could reasonably be expected to have an adverse effect on the Company's continued operation, maintenance and use of the Company's Assets, including, but not limited to the Company's hydroelectric generating asset.

7.1.7 That each Tax required to have been paid, or claimed by any Governmental Authority to be payable, by the Company or in respect of any Assets or activities of the Company, have been duly paid in full and no claim or other administrative or judicial proceeding is pending or has been threatened against or with respect to the Company in respect of any Tax, save those fines suspended by the Idaho Public Utilities Commission contingent on this sale, described in Final Order #35465.

7.1.8 That the Company has no employees and has no unpaid liabilities or outstanding liabilities associated with any former employee.

ARTICLE 8
CONTRACTS AND PERMITS

8.1 Exhibit D contains a true, complete and correct list of all Contracts (including insurance contracts) entered into by the Company including each agreement, contract or understanding relating to the employment of, or the performance of services by, any person or entity on behalf of the Company.

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

8.2 Exhibit E contains a true, complete and correct list of all Permits related to, associated with, or concerning the Company.

**ARTICLE 9
BANK ACCOUNTS**

9.1 Exhibit F contains a true, complete and correct list of all bank accounts, safe deposit boxes, and related powers of attorney for the Company.

**ARTICLE 10
MATERIAL MISSTATEMENTS OR OMISSIONS**

10.1 None of the representations or warranties given by Seller in this Agreement or any ancillary agreement to which Seller is a party when taken as a whole, contains any untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein not misleading.

**ARTICLE 11
INDEMNIFICATION**

11.1 Seller shall indemnify and hold harmless Buyer together with Buyer's members, managers officers employees agents and advisors (Buyer Indemnified Party) from and against all claims, damages, losses, liabilities and expenses (Losses) to which any Buyer Indemnified Party becomes subject, which Losses arise out of or are incurred in connection with any breach by Seller of this Agreement or of Seller's covenants in this Agreement, and/or any fraud or intentional misrepresentation or willful misconduct by Seller or the Company associated with this Agreement.

11.2 The indemnification obligations contained in this Article 10 shall survive the Closing or any termination of this Agreement.

**ARTICLE 12
MISCELLANEOUS**

12.1 This Agreement shall be binding upon each of the Parties hereto and each of their permitted successor and assigns.

12.2 No failure on the part of a Party to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right,

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy.

12.3 This Agreement and all exhibits hereto, represents the entire understanding and agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral and written commitments and/or understandings between the Parties.

12.4 This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho, excluding any laws thereof which would direct application of the law of another jurisdiction.

12.5 This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall be one and the same document.

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties hereto as of and on the date first written above.

BUYER

SELLER

Vector Holdings, LLC

Israel Ray

By: _____
Name:
Title:

President and owner, Atlanta Power Company

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

EXHIBIT A
PROMISSORY NOTE

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

EXHIBIT B

DESCRIPTION OF LAND FROM SELLER TO BUYER

EXHIBIT C

DESCRIPTION OF LAND FROM BUYER TO SELLER

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

EXHIBIT D
CONTRACTS

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

EXHIBIT E

PERMITS

The Certificate of Public Convenience and Necessity (CPCN) in the name of Atlanta Power Company, Inc;

FERC License issued to Project No. 11541-001 issued on May 9, 2002;

Water Right # 63-206.

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

EXHIBIT F

BANK ACCOUNTS

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

EXHIBIT G
COMPANY ASSETS

Water Right # 63-2063;

All vehicles owned by the Company, specifically:

1. _____ ;
2. _____ ; and
3. _____ .

ITEM	STATUS	COUNT	NOTES
Poles			
	Inservice	26	less than 10 yrs
	Inservice	77	more than 10 yrs
	Inservice	54	needs replaced
	Missing poles	?	utilizing tree as pole currently
	Inventory	?	
Cut outs			
	Inservice	26	
	Inservice	5	needs replaced
Transformers			
	15's	9	
	10's	4	
	5's	2	
	Unmarked/Unknown	17	
Meters			
	Working	75	
	Currently reading	74	
	Inventory	4	

	COUNT	SERIAL #
Hydro Generator	1	LM-239206-0501
Diesel Generator	1	
Turbine	1	
Wikki Gate Computer	1	

DRAFT STOCK PURCHASE AGREEMENT
ATLANTA POWER COMPANY
NICK JONES
AUGUST 2, 2022 (PM)

Control Panel	1
7 hp Compressor	1
1 set Dam Gates	1

[The parties are currently working to prepare a comprehensive inventory of the Company's assets. This asset list will be modified and updated when the inventory of the Company is complete]