

**NORTH BEACH WATER DISTRICT
PACIFIC COUNTY, WASHINGTON**

RESOLUTION NO. 21-2008

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF NORTH
BEACH WATER DISTRICT, PACIFIC COUNTY, WASHINGTON
APPROVING AN AGREEMENT TO TRANSFER ASSETS AND
LIABILITIES OF THE NORTH BEACH PUBLIC DEVELOPMENT
AUTHORITY TO THE DISTRICT.**

WHEREAS, the District was formed for the purpose of transferring the water supply system of the North Beach Public Development Authority ("NBPDA") to the District, and for operating and maintaining the system thereafter; and

WHEREAS, pursuant to Resolution No. 18-2008, the District has completed an investigation and review of the records, operation and maintenance of the NBPDA water supply system; and

WHEREAS, based on such investigation and review, the Board of Commissioners has concluded that the best interests of the District and its current and future customers would be served by acquiring the water supply system of the NBPDA; and

WHEREAS, the District and the NBPDA have negotiated an agreement to transfer all of the water supply system assets and liabilities of the NBPDA to the District on terms acceptable to both municipalities; now, therefore

BE IT RESOLVED by the Board of Commissioners of the North Beach Water District, Pacific County, Washington, as follows:

Section 1. The Board of Commissioners approves the Agreement for Transfer of Water Supply System Assets ("Agreement") in substantially the form attached to this resolution.

Section 2. The Chairperson of the Board of Commissioners is authorized to sign the Agreement on behalf of the Board after completion of all Exhibits to the Agreement. The Chairperson further is authorized to complete any incomplete Exhibits to the Agreement without further approval of the Board.

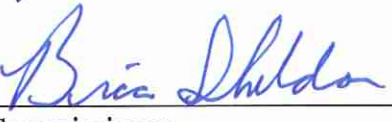
Section 3. The Board of Commissioners directs and authorizes each member of the Board, and all officers, agents and consultants of the District, to take such steps, to do such acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments, including but not limited to deeds and related instruments of transfer for the real and personal property of the District, as in their judgment may be necessary, appropriate or desirable to carry out the terms and conditions of, and complete the transactions contemplated by,

the Agreement and this resolution. The Board ratifies and confirms all acts taken pursuant to the authority of this resolution but prior to its adoption.

ADOPTED by the Board of Commissioners of North Beach Water District, Pacific County, Washington, at a special meeting held on December 17, 2008.

NORTH BEACH WATER DISTRICT

By 
Commissioner

By 
Commissioner

By _____
Commissioner

**AGREEMENT FOR TRANSFER OF
WATER SUPPLY SYSTEM ASSETS**
(Version 8.2 REV 12/15/08 adopted by NBPDA 12/15/08)

THIS AGREEMENT is entered into by and between **NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY** ("NBPDA"), a public development authority created by Pacific County, Washington and **NORTH BEACH WATER DISTRICT** ("District"), a Washington municipal corporation (collectively, the "Parties").

R E C I T A L S:

A. NBPDA is a public corporation organized and existing under RCW 35.21.730, et. seq. It was formed in 2004 pursuant to Resolution No. 2004-074 of the Pacific County Board of Commissioners.

B. The Pacific County Board of Commissioners formed NBPDA with the intent and understanding that NBPDA would acquire the water supply systems in the North Beach Peninsula area generally north of Cranberry Road, and transfer those systems to any water-sewer district formed in such area.

C. In 2006, NBPDA acquired the water supply system assets of the Pacific Water Company and Ocean Park Water Company. Since acquisition, NBPDA has operated, maintained and improved these water supply systems ("Water System"). The NBPDA has financed the acquisition of and certain improvements to the Water System by incurring debt secured by the pledge of revenue of the Water System.

D. At a special election held on February 19, 2008, a majority of the voters in the territory of District approved the formation of District and the election of District's initial Board of Commissioners.

E. NBPDA desires to transfer to District and District desires to accept from NBPDA all assets and liabilities of the Water System, in accordance with the terms and conditions set forth below.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

1) **Transfer of Assets.** Subject to the terms and conditions of this Agreement, NBPDA hereby agrees to transfer, convey, assign and deliver to District, and District hereby agrees to accept from NBPDA all of the Water System assets (collectively referred to as the "Property"), as more specifically described below:

a) **Real Property.** All right, title and interest of NBPDA in the real property, including easements and water rights described on the **Description of Real Property and Water Rights** attached hereto, both known and unknown, including but not limited to those labeled as **Exhibit A**, on which the Water System is located or pursuant to which rights in or to the Water

System are granted, and all of the rights arising out of the ownership thereof or appurtenant thereto (the "Real Property").

b) Fixtures. All improvements now existing or in the process of construction that comprise or are used by the Water System and that are described on the **List of Fixtures** attached hereto, both known and unknown, including but not limited to those labeled as **Exhibit B**.

c) Personal Property. All water in the Water System on the Closing Date, and all cash, accounts receivable, equipment, furniture, telemetry equipment and supplies that are used in connection with the operation of the Water System and that are described on the **List of Personal Property** attached hereto, both known and unknown, including but not limited to those labeled as **Exhibit C**. All plans, specifications, drawings, maps, surveys and comprehensive plans showing the construction and/or location of any existing, in-progress or proposed elements of the Water System, both known and unknown, including but not limited to those listed on **Exhibit C**. All records, customer lists, billing records, operating statements, well logs, flow records, pump, treatment plant and reservoir records and manuals, any written operating instructions and all other written and/or recorded data relating to the operation of the Water System and its equipment both known and unknown, including but not limited to those listed on **Exhibit C**.

d) Contract Rights and Intangibles. To the extent transferable by NBPDA, the NBPDA will transfer (i) all warranties or guarantees connected with the construction, repair and maintenance of any part of the Water System and listed on the **List of Contract Rights and Intangibles** attached hereto, both known and unknown, including but not limited to those labeled as **Exhibit D**; (ii) all water rights, claims, title or interest relating to the Water System both known and unknown, including but not limited to those listed on **Exhibit D**; (iii) all permits relating to the ownership or operation of the Water System both known and unknown, including but not limited to those listed on **Exhibit D**; (iv) all rights under any other existing contracts relating to the Water System both known and unknown, including but not limited to those listed on **Exhibit D**; (v) and all rights both known and unknown, including but not limited to those listed to bill for water provided by District after Closing and all District accounts receivable.

1.5 Condition of Property. District acknowledges that NBPDA is transferring the Property "as is, where is and with all faults" without representation, warranty or covenant, except as specifically set forth in this Agreement. NBPDA has not made and shall not be deemed to have made any representation, warranty or covenant or shall not have any liability whatsoever as to the title, value, habitability, use, condition, design, operation, or fitness for use of the Property, or any other representation, warranty or covenant whatsoever, express or implied, with respect to the Property, except as specifically set forth in this Agreement. NBPDA shall not be liable for any latent, hidden, or patent defect in the Property.

2) Liabilities.

2.1 District will assume all liabilities, both known and unknown, including but not limited to, three current Public Works Trust Fund loans, Cashmere Valley Bank revenue bond, employee contracts, employee litigation, service contracts, and equipment contracts. See **Exhibit E** attached.

2.2 District will assume all liabilities, both known and unknown, including but not limited to, *Leech v. NBPDA & R.D. Williams, Pacific County Superior Court Docket No. 08-2-0040-2*, disclosed to the District by the NBPDA.

3. Title.

3.1 **Conveyance and Condition of Title.** The Property shall be conveyed by NBPDA to District at Closing by quit claim deeds, certificates of title, transfers, and easement assignments free and clear of all liens, liabilities and encumbrances, except for the matters disclosed in the title commitment of Paragraph 3.2.

3.2 **Title Insurance.** At Closing, NBPDA shall cause American Title Insurance Company at District's cost to issue CLTA 107.9 endorsements adding the District as an "insured party" to existing title policies covering the Real Property to be transferred from NBPDA to District.

4. **Closing; Contingencies.** "Closing" means that on which all transfer documents are recorded in the records of Pacific County. Subject to the terms and conditions of this Agreement, the parties shall use their best efforts to accomplish the Closing as soon as practical but no later than March 31, 2009. All obligations of District under this Agreement are subject to the fulfillment on or before Closing of each of the contingencies set forth below. If any of the contingencies are not met in full or fail to occur before Closing, for any reason whatsoever, District may, in its sole discretion, either waive such contingencies and proceed with Closing or terminate this Agreement without liability or further obligation.

4.1 **NBPDA Records and Customer List.** NBPDA shall have delivered to District all records and documents that relate to the business of NBPDA, including but not limited to, the records described in Paragraphs 1.3 and 1.4, minutes of NBPDA Board meetings, NBPDA revenue bond resolution, Public Works Trust Fund loan documents, Ocean Park Water Company and Pacific Water Company documents, and any other documents pertaining to the operation of the Water System. NBPDA shall have delivered to District a complete list of all current Water System customers.

4.2 **No Adverse Change.** On the Closing Date, there will be no substantial adverse change in the financial or physical condition of the Water System or the Property from the Date of Mutual Acceptance (as described below).

5. Representations and Warranties of NBPDA.

5.1 **Litigation and Legal Compliance** Except for the employee lawsuit disclosed to the District by the NBPDA, there are no judgments against NBPDA relating to its interest in the Water System; there are no pending actions, suits or proceedings against NBPDA relating to its interest in the Water System; and to NBPDA's Knowledge, there are no threatened actions against NBPDA by any federal, state or local agency or any private party relating to NBPDA's interest in the Water System, or by any NBPDA officers and employees, except for the former employee lawsuit,

Leech v. NBPDA & R.D. Williams, Pacific County Superior Court Docket No. 08-2-0040-2, disclosed to the District by the NBPDA. Whenever used in this Agreement, "NBPDA's Knowledge" shall mean the knowledge of any member of NBPDA's Board of Directors or NBPDA's General Manager.

5.2 No Violation. Neither the execution and delivery of this Agreement, the consummation of the transaction contemplated hereby, nor the performance by NBPDA of, and compliance by NBPDA with, any of the provisions of this Agreement, will violate any provision of NBPDA's Charter and Rule and Regulations. NBPDA represents and warrants that no part of the Real Property was received directly or indirectly from Pacific County.

6. Representations and Warranties of District.

6.1 Organization and Authority. District is a Washington municipal corporation and has the right, power and authority to enter into this Agreement, to execute all documents and instruments contemplated by this Agreement, to consummate this transaction and to perform all other obligations to be performed by District under this Agreement. The execution, delivery and performance of this Agreement and all agreements, documents and instruments contemplated hereby have been duly authorized by all necessary action on the part of District.

6.2 No Violation. Neither the execution and delivery of this Agreement, the consummation of the transaction contemplated hereby, nor the performance by District of, and compliance by District with, any of the provisions of this Agreement will violate any provision of Title 57 RCW and will not require any consent, approval, order or authorization of, or any registration, qualification, designation or filing with, or any permit from, or any notice to any federal, state or other governmental, regulatory or administrative authority, body or agency.

6.3 Litigation and Legal Compliance. There are no outstanding judgments against District; there are no pending, or to District's knowledge, threatened actions, suits or proceedings against District; and to District's Knowledge, there are no threatened or potential actions against District or any of its assets by any federal, state or local agency or any private party. Whenever used in this Agreement, "District's Knowledge" shall mean the knowledge of any member of District's Board of Commissioners.

The District will assume responsibility for defending the employee lawsuit identified by NBPDA pursuant to section 5.1 of this Agreement and will be responsible for all associated judgments and costs.

6.4 Representations and Warranties True at Closing. The representations and warranties made by District in this Agreement shall be correct as of the Date of Closing with the same force and effect as though such representations and warranties had been made as of the Date of Closing.

7. Conduct of Business Pending Closing. Pending the Closing of the transfer contemplated by this Agreement, NBPDA covenants as follows and the Parties agree as follows:

7.1 Agreement Changes. NBPDA shall not make or agree to any changes in

NBPDA's agreements, leases or other contracts or agreements relating to the Water System or the Property without the prior written approval of District.

7.2 New Contracts. NBPDA shall not enter into any contract or commitment that is not terminable at will, except for customer service agreements entered into in the ordinary course of business.

7.3 Operation and Maintenance. NBPDA shall operate, maintain and repair the Water System at NBPDA's sole expense so that the Property remains in the same condition it was in on the Date of Mutual Acceptance, except for ordinary wear and tear. Without the prior written consent of District, NBPDA shall not make any improvements to the Water System or undertake construction on any part thereof, except for minor emergency repairs or repairs or maintenance conducted in the ordinary course of business and operation of the Water System. District shall have the right to inspect, and have a representative present during, any improvement or construction (including, if practicable, emergency repairs) performed between the Date of Mutual Acceptance and the Closing.

7.4 Notice of Transfer. NBPDA and District shall share the responsibility and cost for giving notice of the transfer contemplated by this Agreement to the Water System's customers.

7.5 Employees. District agrees to hire all employees at their current job classification. It is the intent of the board of the District to retain the General Manager, under an employment contract, for a minimum of three years from the completion of the transfer, unless termination for cause is justified.

8. Indemnification by District. District hereby agrees to defend, indemnify, and hold harmless, the NBPDA, past and present individual officers and directors of the NBPDA, and Pacific County and its agents, from any and all claims, damages, and liabilities, whether absolute, contingent or merely alleged, including, but not limited to, reasonable costs and attorney's fees, arising out of or relating to operation, purchase, or transfer to District of the North Beach Water Utility.

This paragraph does not apply if an officer or director is charged with a criminal offense in connection with their duties.

9. Miscellaneous.

9.1 Entire Agreement: Modification. This Agreement constitutes the entire agreement among the Parties and supersedes all prior and contemporaneous agreements and understandings of the Parties with respect to the subject matter of this Agreement. No supplement, modification or amendment of this Agreement shall be binding and enforceable unless executed in writing by the Parties.

9.2 Waiver. No waiver of any of the provisions of this Agreement shall be deemed to be a waiver of any other provision of this Agreement (whether different or similar), nor shall such waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

9.3 Headings. Headings contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or of any provision of this Agreement.

9.4 Governing Law; Jurisdiction. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Washington. Except with respect to an action commenced by a third party in another jurisdiction, the Parties agree that any legal suit, action or proceeding arising out of or relating to this Agreement shall be maintained in the Superior Court of Pacific County, State of Washington.

9.5 Notices. All notices required or permitted to be given hereunder shall be in writing and shall be sent by U.S. Certified Mail, Return Receipt Requested, by facsimile transmission, by email or by personal service addressed as set forth below:

All notices to be given to NBPDA shall be addressed as follows:

North Beach Public Development Authority
Marshall Tate, President
NBPDA
25902 Vernon Avenue, Suite C
PO Box 618
Ocean Park, WA 98640
Fax No. (360).665.4641
Email: mctate65@pondhouse.com

With a copy to:
David Thompson
K & L Gates LLP
925 Fourth Avenue, Suite 2900
Seattle, Washington 98104-1158
Fax No. (206).370.6191
Email: david.thompson@klgates.com

All notices to be given to District shall be addressed as follows:

North Beach Water District
Brian Sheldon, President
25902 Vernon Avenue, Suite C
PO Box 618
Ocean Park, WA 98640
Fax No. (360).665.4641
Email: oysters@willapabay.com

With a copy to:

Rod P. Kaseguma
Inslee, Best, Doezie & Ryder, P.S.
777 108th Avenue NE, Suite 1900
P O Box 90016
Bellevue, Washington 98004
Fax No. (425).635.7720
Email: Rkaseguma@insleebest.com

Either Party may, by written notice to the other, designate any other address for the giving of notices. All notices shall be deemed given on the day such notice is personally served, on the third day following the date such notice is mailed in accordance with this paragraph, or on the day of the facsimile or email transmission provided that receipt is confirmed.

9.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.7 Severability. The invalidity or unenforceability of any particular provision, or any part thereof, of this Agreement shall not affect the other provisions hereof, and all such other provisions shall remain in full force and effect as if such invalid or unenforceable provisions were omitted.

9.8 Recording. Neither this Agreement nor a memorandum hereof may be recorded.

9.9 Time of the Essence. Time is of the essence in connection with this Agreement.

9.10 Mutual Acceptance. For purposes of this Agreement, mutual acceptance of this Agreement (the "Date of Mutual Acceptance") shall occur on the later of the dates the Parties have executed this Agreement, as indicated below.

9.11 Exhibits. The following Exhibits attached to this Agreement are incorporated into this Agreement in full:

Exhibit A – Real Property

Exhibit B – Fixtures

Exhibit C – Personal Property

Exhibit D – Contract Rights and Intangibles including Water rights

Exhibit E – Assumed Liabilities

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the later of the dates indicated below.

NORTH BEACH PUBLIC DEVELOPMENT
AUTHORITY, a Washington public development
authority:

By _____
Name: Marshall Tate
Title: President

By _____
Name: John Adams
Title: Director

By _____
Name: William Grennan
Title: Director

By _____
Name: Frank Logan
Title: Director

By _____
Name: Michael McNatt
Title: Director

Date: _____

NORTH BEACH WATER DISTRICT, a Washington
municipal corporation:

By _____

Name: Brian Sheldon

Title: President and Commissioner

By _____

Name: Gwen Brake

Title: Secretary and Commissioner

By _____

Name: R D Williams

Title: Commissioner

Date: _____

EXHIBIT A

Description of Real Property

LEGAL DESCRIPTION

List of Real Property attached hereto, including but not limited to those listed. This includes any and all Real Property currently owned by the North Beach Public Development Authority or its predecessor Ocean Park Acquisitions LLC, or any other company either entity purchased, and any real Property belonging to any aforementioned entity that may be identified in the future.

Sailfish Tracts:

Lots 1, 2 and 6 in Block 1 of Sailfish Tracts, per plat thereof on file in Volume H of Plats at Page 34, records of Pacific County, Washington.

2703-2707 252nd St.:

Parcel 1:

Lots 35 and 36, RUSHLIGHT FARM ESTATES, according to the plat thereof recorded in Volume H, Pages 91, 92 and 93 of Plats on file in the Office of the Auditor of Pacific County, Washington.

Parcel 2:

TOGETHER WITH an undivided 2/345th interest in Lot 28, RUSHLIGHT MANOR ESTATES, according to the plat thereof recorded in Volume J, Pages 50, 51 and 52 of Plats on file in the Office of the Auditor of Pacific County, Washington.

Parcel 3:

The East 200 feet of Tract 9 of Rushton on the Bay, according to the plat recorded in Volume D-3, Pages 182 and 183 of Plats, Pacific County, Washington.

Parcel 4:

The East 200 feet of Tract 10 of Rushton on the Bay, according to the plat recorded in Volume D-3, Pages 182 and 183 of Plats, Pacific County, Washington.

25620 U Street:

A circular parcel of land with a radius of 200 feet, the center of which is located as follows:

Beginning at the Northwest corner of the Northeast quarter of Section 33, Township 12 North, Range 11 West, W.M., Pacific County, Washington; thence South 89°59'03" East along the North line of said Northeast quarter a distance of 664.14 feet; thence South 0°12'35" West a distance of 812.35 feet to the center of said circular parcel.

Situated in the County of Pacific, State of Washington.

Barracuda Tracts:

Parcel 1:

Tract 15 of Barracuda Thai per plat thereof on file in Volume G of plats at Page 6, records of Pacific County, Washington.

Parcel 2:

The West 200 feet of the following described tract of land:

Beginning at a point 165 feet North of the Southeast corner of the Southwest quarter of the Northeast quarter of Section 28, Township 12 North, Range 11 West of W.M. Pacific County, Washington,
Thence North 330 feet;
Thence West 620 feet;
Thence South 330 feet;
Thence East 620 feet to the true point of beginning,
EXCEPTING THEREFROM the North 15 feet thereof conveyed to Pacific County, Washington for public road purposes by deed recorded in Volume 67 of deeds, Page 10.

Parcel 3:

Lot 3 in Block 1 of Sailfish Tracts, per plat thereof on file in Volume H of Plats at Page 34, records of Pacific County, Washington,

Parcel 4:

Lot 4 in Block 1 of Sailfish Tracts, per plat thereof on file in Volume H of Plats at Page 34, records of Pacific County, Washington.

Parcel 5:

Lot 5 in Block 1 of Sailfish Tracts, per plat thereof on file in Volume H of Plate at Page 34, records of Pacific County, Washington.

Parcel 6:

That portion of Section 28, Township 12 North, Range 11 West of W.M., Pacific County, Washington, described as follows:

Beginning at a point 204 feet East and 165 feet North of the Southwest corner of the Northeast Quarter of said Section 28;
Thence North 150 feet, more or less, to the South line of the plat of Sailfish Tracts;
Thence East 496 feet;
Thence South 150 feet, more or less, to a point East of the point of beginning;
Thence West 496 feet to the point of beginning.

Parcel 7:

A well area and a 100 foot radius around said well situate in the following described parcel:

The North 200 feet of the East 325 feet of the West 500 feet of the Northeast quarter of Section 9, Township 11 North, Range 11 West of W.M., Pacific County, Washington,

EXCEPTING THEREFROM the North 30 feet of the West 85 feet thereof as dedicated to Pacific County.

Parcel 8:

Lot 1 In Block 21, in Railroad Addition to Ocean Park, on file in Volume D-1, Page 37 in the office of the Auditor of Pacific County, Washington.

TOGETHER WITH: That portion of 272nd Lane according thereto by operation of law.

EXHIBIT B

List of Fixtures

List of Fixtures attached hereto, including but not limited to those listed. This includes any and all Fixtures currently owned by the North Beach Public Development Authority or its predecessor Ocean Park Acquisitions LLC, or any other company either entity purchased, and any Fixtures belonging to any aforementioned entity that may be identified in the future.

Sailfish Tract (commonly known as the North Wellfield, 272nd Place):

Any and all fixtures, both known and unknown, including but not limited to:

Pumps, piping, electrical service, controls and housing for Wells Nos. 1, 2, 3, 4, 5, 6, 7 and 8.

Pumps, piping, electrical service, controls, treatment equipment and housing for Treatment Plant.

Pumps, piping, electrical service, controls and housing for Booster Station.

Plumbing, buildings, compressors, generators, electrical service, fixed equipment and housing for Office, Laboratory, Workshop and Mobile Home.

2703-2707 252nd St. (commonly known as the South Wellfield):

Any and all fixtures, both known and unknown, including but not limited to:

Pumps, piping, electrical service, controls and housing for Wells Nos. 1 and 4.

Pumps, piping, electrical service, controls, treatment equipment and housing for Treatment Plant.

Pumps, piping, electrical service, controls and housing for Booster Station.

Plumbing, buildings, compressors, generators, electrical service, fixed equipment and housing for Office, Laboratory, and Workshop.

25620 U St. (commonly known as South Wellfield Well #2):

Any and all fixtures, both known and unknown, including but not limited to:

Pumps, piping, electrical service, controls and housing for Wells No 2.

EXHIBIT C

List of Personal Property

List of Personal Property attached hereto, including but not limited to those listed. This includes any and all Personal Property currently owned by the North Beach Public Development Authority or its predecessor Ocean Park Acquisitions LLC, or any other company either entity purchased, and any real Property belonging to any aforementioned entity that may be identified in the future.

Vehicles and Construction Equipment

Any and all vehicles and construction equipment, both known and unknown, including but not limited to:

2002 Butler Trailer VIN #4880
1983 Chevrolet Pickup VIN #6550
2008 Ford Ranger VIN #5510
2002 Ford Sport VIN #5311
1994 Ford Ranger VIN #8369
1999 Ford Ranger VIN #3569
1982 HM Trailer VIN #8600
2002 SNWBR Trailer VIN #1845
2007 Komatsu Backhoe SN #A23849
2002 Vermeer Trencher SN #0970
Portable Compressor of unknown origin.

Equipment

Any and all equipment, both known and unknown, including but not limited to: dewatering pumps; construction tools, pneumatic tools, hand tools, saws, generators, pressure washers, ladders, lab equipment and supplies, office equipment and supplies, water production and treatment equipment, water storage equipment, traffic control devices, safety equipment and communication equipment.

Inventory at Sailfish Tract (commonly known as the North Wellfield, 272nd Place):

Any and all inventory, for use in construction and waterworks, both known and unknown, including but not limited to: pipe, fittings, meters, pumps, chemicals, hose, electrical devices and wiring, and other waterworks apparatuses.

Inventory at 2703-2707 252nd St. (commonly known as the South Wellfield):

Any and all inventory, for use in construction and waterworks, both known and unknown, including but not limited to: pipe, fittings, meters, pumps, chemicals, hose, electrical devices and wiring, and other waterworks apparatuses.

Inventory at 25620 U St. (commonly known as South Wellfield Well #2):

Any and all inventory, for use in construction and waterworks, both known and unknown, including but not limited to: pipe, fittings, meters, pumps, chemicals, hose, electrical devices and wiring, and other waterworks apparatuses.

Equipment and Inventory at 25902 Vernon Ave., Suites C & D (commonly known as the Office):

Any and all furniture, office equipment, inventory, for office use, both known and unknown, including but not limited to: computers, printers, scanners, monitors, computer programs, databases, handheld meter readers, furniture, signs, books and manuals, and other waterworks apparatuses.

EXHIBIT D

List of Contract Rights and Intangibles including Water Rights

List of Contract Rights and Intangibles attached hereto, including but not limited to those listed. This includes any and all Contract Rights and Intangibles and Water Rights currently owned by the North Beach Public Development Authority or its predecessor Ocean Park Acquisitions LLC, or any other company either entity purchased, and any real Property or Water Right belonging to any aforementioned entity that may be identified in the future.

Water Rights:

Any and all water rights acquired by North Beach Public Development Authority by their purchase of Ocean Park Water Company and Pacific Water Company, both known and unknown, including but not limited to: Water Right Permits Nos. G2-00759C, G2-21399C, G2-25737C, G2-27073C and G2-00174C; and Pending Water Right Application No. G2-29907.

EXHIBIT E

List of Assumed Liabilities

List of Assumed Liabilities attached hereto, including but not limited to those listed. This includes any and all Liabilities currently owed by the North Beach Public Development Authority or its predecessor Ocean Park Acquisitions LLC, or any other company either entity purchased, and any liabilities belonging to any aforementioned entity that may be identified in the future.

1. North Beach Public Development Authority, Water Revenue Bonds, 2006
(Cashmere Valley Bank)
2. Public Works Trust Fund loans;
 1. PWTF #117 – *Water System Acquisitions – PWC*
 2. PWTF #129 – *Water System Acquisitions – PWC and OPWC, Inc*
 3. PWTF #204 – *6 Yr Comprehensive Water System Plan*
3. Developer extension agreement, with latecomer reimbursement between Douglas & Susan Schlepp, (D&S Schlepp Development) and NBPDA dated April 13, 2007.
4. Komatsu WB146-5N Backhoe, Loan #777-0127252-000 , Modern Machinery Co.

**NORTH BEACH WATER DISTRICT
PACIFIC COUNTY, WASHINGTON**

RESOLUTION NO. 20-2008

Adoption of North Beach Public Development Authority 2009 Budget

WHEREAS, The North Beach Public Development Authority (NBPDA) requested that the General Manager of the North Beach Water Utility (Utility) prepare its 2009 Budget,

WHEREAS, The NBPDA held a public workshop on November 17, 2008 and on December 8, 2008, and a public hearing was conducted on December 15, 2009 and after said hearing the 2009 budget was adopted by the NBPDA,


WHEREAS, The District has reviewed the NBPDA 2009 Budget and desires to adopt said annual Budget for the Utility,


BE IT RESOLVED by the Board of Commissioners of the North Beach Water District, Pacific County, Washington, as follows:

The North Beach Water District adopts the North Beach Water Utility 2009 budget as made a part of this resolution.

ADOPTED by the Board of Commissioners of North Beach Water District, Pacific County, Washington, at a special meeting held on December 17, 2008.

NORTH BEACH WATER DISTRICT

By 
Commissioner

By 
Commissioner

By not present
Commissioner