

UW-060620 (SI)
5-17-06

North Beach Public Development Authority
25902 Vernon Ave, Suite C
P. O. Box 618
Ocean Park, WA 98640
360.665.4144

April 5, 2006

Carole Washburn, Executive Secretary
Washington State Utilities and Transportation Commission
1300 S. Evergreen Park Drive
P.O. Box 47250
Olympia, WA 98504-7250

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RECORDS MANAGEMENT
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STATE OF WASH
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Re: North Beach Public Development Authority

Dear Ms. Washburn:

This is to advise you that the North Beach Public Development Authority (the "PDA"), a public corporation created by Pacific County, Washington, has acquired substantially all of the assets of Ocean Park Water Company, Inc. ("OPWC") and OPWC is in the process of being dissolved.

The transfer of OPWC assets to the PDA occurred by bill of sale (dated March 13, 2006) and statutory warranty deed (dated March 16, 2006), copies of which are enclosed. OPWC ceased doing business as of March 31, 2006, and the PDA will from and after April 1, 2006 be providing water service to all former customers of OPWC. As a public corporation created by Pacific County, the PDA is exempt from regulation by the WUTC.

Please let me know if you have questions about this matter.

Sincerely,



R.D. Williams
President, Board of Directors
North Beach Public Development

Authority

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE AND ASSIGNMENT (this "Bill of Sale and Assignment") is delivered pursuant to the resolutions adopted by the Board of Directors and the shareholders of Ocean Park Water Company, Inc. (the "Company") on March 6, 2006.

RECITALS

A. Pursuant to the resolutions referenced above, and in connection with the dissolution and winding up of the Company, the Company has agreed to distribute, convey, transfer, assign and deliver to Ocean Park Acquisitions, LLC all of the assets of the Company listed in Exhibit A (the "Distributed Assets"). Ocean Park Acquisitions, LLC is the Company's largest shareholder. North Beach Public Development Authority is the sole member of, and owns all of the membership interests of, Ocean Park Acquisitions, LLC.

B. Ocean Park Acquisitions, LLC has directed that all instruments of conveyance with respect to the Distributed Assets, including this Bill of Sale and Assignment, and any other endorsements, assignments, and other instruments contemplated by the dissolution of the Company, be made in favor of, and executed and delivered by the Company directly to, North Beach Public Development Authority.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Company hereby agrees as follows:

1. Sale and Assignment

The Company hereby grants, bargains, conveys, assigns and delivers to North Beach Public Development Authority, all right, title and interest in and to the Distributed Assets, subject to all liens, claims, charges and encumbrances, of any type whatsoever.

2. Company's Consent

The Company hereby covenants and agrees that it will, at the reasonable request and expense of North Beach Public Development Authority, execute and deliver, and will cause to be executed and delivered, such further instruments of sale, transfer, conveyance and assignment and take such other action as may reasonably be required to more effectively sell, transfer, convey, assign and deliver to, and vest in, North Beach Public Development Authority, its successors and assigns title to and possession of the Distributed Assets, and to put North Beach Public Development Authority in actual possession of the Distributed Assets.

3. Applicable Law

This Bill of Sale and Assignment shall be governed by, and construed and interpreted in accordance with, the laws of the State of Washington.

DATED March ^{3rd} 2006.


[remainder of page intentionally left blank]

SIGNATURE PAGE—BILL OF SALE AND ASSIGNMENT

IN WITNESS WHEREOF, the Company has executed this Bill of Sale and Assignment in favor of North Beach Public Development Authority as of the date set forth in the Bill of Sale and Assignment.

COMPANY

OCEAN PARK WATER COMPANY, INC.

By: 
Name: R.D. Williams
Its: President

Accepted and Acknowledged:

NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY

By: 
Name: R.D. Williams
Its: President, Board of Directors

OCEAN PARK ACQUISITIONS, LLC


By: 
Name: R.D. Williams
Its: President

Exhibit A

Distributed Assets

All real and personal property used in the water supply and distribution business of Ocean Park Water Company, Inc.

All accounts receivable of Ocean Park Water Company, Inc.

All accounts, investments, contracts and other rights and interests of Ocean Park Water Company, Inc.

After Recording Return To:
Preston Gates & Ellis LLP
925 Fourth Avenue, Suite 2900
Seattle, Washington 98104-1158
Attn: Marni Wright

STATUTORY WARRANTY DEED

Grantor: OCEAN PARK WATER COMPANY, INC., a Washington corporation

Grantee: NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY, a public
development authority created by Pacific County, Washington

Legal Description:

Abbreviated Form: 111109 196; 121128 015 W200'; 121128 046; Barracuda 15;
Railrd Add 21 01; Sailfish 01 03; Sailfish 01 04; Sailfish 01
05

Additional legal on Exhibit A to document

Assessor's Tax Parcel ID#: 11110912196; 12112813015; 12112813046; 75001000015;
75023021001; 75026001003; 75026001004; 75026001005

THE GRANTOR, Ocean Park Water Company, Inc., a Washington corporation, for and in consideration of Ten and No/100 dollars (\$10.00) in hand paid, conveys and warrants to North Beach Public Development Authority, a public development authority created by Pacific County, Washington the real property described on Exhibit A attached hereto, situated in the County of Pacific, State of Washington, and all water rights appurtenant to the above-described real property and all pipelines and other component parts of the existing water system including easements, now located on and use for the benefit of the properties of Grantor.



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Page: 1 of 6
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Subject to and excepting those matters listed in Exhibit B attached hereto and incorporated herein by this reference.


Dated March 16th, 2006.

OCEAN PARK WATER COMPANY, INC.,
a Washington corporation

By: R. Miller
Name: R. W. Williams
Title: PRESIDENT, NBADA

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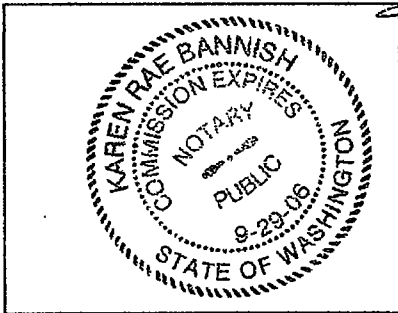
3/16/06 SKD
This transaction is not taxable under
Chapter 11 of the Extraordinary
Session Laws of 1951 **072866**
See Affidavit No. **072866**
PACIFIC COUNTY TREASURER

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Page: 2 of 6
03/15/2006 11:24A
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STATE OF WASHINGTON)
) ss.
COUNTY OF Pacific)

I certify that I know or have satisfactory evidence that R. D. Williams is the person who appeared before me, and said person acknowledged that ~~he~~ she signed this instrument, on oath stated that ~~he~~ she was authorized to execute the instrument and acknowledged it as the President of OCEAN PARK WATER COMPANY, INC., a Washington corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 16, 2006



(Use this space for notarial stamp/seal)

Karen Rae Bannish
Notary Public State of Washington
Print Name Karen Rae Bannish
My commission expires 09/29/06
Residing in Menlo



3090814

Page: 3 of 6
03/16/2006 11:24A

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EXHIBIT A

Legal Description

Parcel 1:

Tract 15 of Barracuda Tracts, 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 Plats at Page 34, records of Pacific County, Washington.

A-1



3090814

Page: 4 of 6
03/16/2006 11:24A

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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

Exceptions

1. Restrictions shown on the recorded plat/partition of Sailfish Tracts.
(Affects Parcels 3, 4 and 5)

2. Easement, and the terms and provisions thereof:
Grantee: Public Utility District No. 1 of Pacific County, a
Municipal corporation of the State of Washington
Purpose: Electric transmission and/or communication
Recorded: June 5, 1940
Auditor's File No.: Volume 132, Page 117
(Affects Parcel 1)

3. Easement, including terms and provisions contained therein:
Recording Information: April 08, 1969 in Book 211, Page 528
In favor of: Ocean Park Water Company, its successors and
assigns
For: Watermain easement
(Affects East 10 feet of Parcel 1)

4. An easement reserved in a deed, including terms and provisions contained therein:
Recorded: January 21, 1975 in Volume 274, Page 346 in
Instrument No. 92934
From: Leisure Properties Ltd.
To: Ocean Park Water Company Inc.
For: Ingress and egress
Affects: 30 foot wide easement
(Affects Parcel 7)



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Page: 6 of 6
03/16/2006 11:24A
Pacific Co, WA

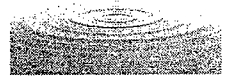
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“NORTH BEACH WATER”

North Beach Public Development Authority



Dear Water Utility Customer

February 23, 2006

I would like to introduce myself—I am R. D. Williams, a resident of Ocean Park and President of the North Beach Development Authority, a public entity with a five-member board created by the Pacific County Commissioners in October 2004. Other Board members include Tom Downer, Jim Hagen, Ken Karch, and Brad Weatherby.

The North Beach Public Development Authority is purchasing the facilities of Ocean Park Water and Pacific Water Companies. For the time being, the new water utility will be operated as **North Beach Water**.

Water is a critical resource for any community, and water systems are often a take-over target for private enterprise. When a private company buys a public water system, the control of this precious commodity is often taken out of local hands. We didn't want that to happen.

Combining the facilities of these two water systems will result in a publicly-owned water utility serving over 2,200 residences and 300 businesses in the area between Cranberry Road, Joe Johns Road, the Pacific Ocean, and Willapa Bay.

We anticipate few changes in the overall operation of **North Beach Water**. However, you will see a new billing format; automatic payment; a single point of contact; regular newsletters; the development of a website; and system-wide upgrades to include the completion of additional water storage and new piping to physically join the two systems.

These upgrades will improve our fire fighting capability which could reduce the cost of fire insurance; and will allow us to extend water service to currently unserved areas. We will also be evaluating water rates, which have not been reviewed since 1999

We will be holding a public hearing—on Monday March 27th, 6:00 PM at the PCFD#1 Meeting Room, in Ocean Park—to discuss the details of our plans and to answer any of your questions. Please join us.

We are proud of our work to retain public control over our water; and we pledge to be the best provider of water services to you, our valued customers and friends.

Sincerely

R. D. Williams
President
North Beach Public Development Authority