

March 31, 2005

Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED
RECORDS MANAGEMENT
05 MAR 31 PM 4:03
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

RE: Joint Transfer
Gamble Bay Water Inc. transfers Property, Piper # 00887P, Pinewood ID# 45507P and
Lightmoor Court ID# 66934K To T&T Professional Services.

Dear Secretary:

Enclosed you will find an Asset Acquisition Agreement and a Customer Notice.

The customer notice was mailed first class mail on March 25, 2005.

If you have any question, please call me at 360-779-1515.

Sincerely



Mike Knapp
Gamble Bay Water Inc.

Asset Acquisition Agreement

This Asset Acquisition Agreement ("Agreement") is entered into as of this ___ day of April 2005, among T&T Professional Services, a Washington Sole Proprietor ("Purchaser"), and Gamble Bay Water, Inc, a Washington corporation ("Seller"), with reference to the following recitals:

RECITALS

- A. Seller owns and operates three (3) group B water systems (Water Systems) regulated by the Washington State Utilities and Transportation Commission (WUTC) and The Washington State Department of Health (DOH), known as Piper, ID #00887P; Pinewood, ID #45507P; Lightmoore, ID #66934K. The Seller's Water Systems are all located in Kitsap County, Washington and serve approximately 22 customers.
- B. Seller and Purchaser believe that the sale of the assets and business hereunder is in the best interest of the population served by the Seller's Water Systems, in view of Purchaser's expertise and financial resources.
- C. The proposed transactions hereunder are subject to the approval of the WUTC and acceptance by Purchaser and Seller of conditions made by WUTC.
- D. Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller all of Seller's water systems' assets, on the terms and subject to the conditions herein set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which shall be deemed a relevant part of this Agreement, and the mutual covenants, promises, agreements, representations and warranties contained herein, for good and valuable consideration, the parties hereto agree as follows:

1. Property Sold: Seller agrees to sell and Purchaser Agrees to purchase the Water System consisting of:
 - A. Property: Land and or easements to the well sites, together with protective covenants showing a 100' non-pollution radius around the well, and easements to all mains, services and valves including, but not limited to, those listed in Schedule 1(a).
 - B. Water System: All water equipment and facilities, wells, pumping equipment, connections, tanks, reservoirs, mains, meters, hydrants, and all other appurtenances pertaining to operating the water systems that are owned by Seller and described in Schedule 1 (b) hereof.
 - C. Water rights including, but not limited, to those listed in Schedule 1 (c).
 - D. Future and current service areas, for the Water System.

Initials Seller: W Initials Purchaser: _____ Gamble Bay/T&T Professional Purchase Agreement March 25, 2005

E. Intangibles listed in Schedule 1 (e)

2. Purchase Price: The purchase price is zero Dollars (\$0.00).
3. Debts and Taxes: Seller to pay all debts, including those owed to Purchaser, and taxes incurred prior to April 30, 2005. Accounts receivable for water provided to customers prior to April 30, 2005, shall remain the property of Seller.
4. Conveyance: Conveyance shall be by Bill of Sale Schedule 4(a), Assignment of Easements (4(b)), Statutory Warranty Deed 4(c), and Assignment of Intangibles Schedule 4 (d). Purchaser is entitled to immediate possession of the subject matter of the agreement upon closing.
5. Title Insurance: Purchaser at its option may obtain a title insurance policy for all real property transferred, through _____ Insurance Company, and pay the premium there on. Rights reserved and Federal patents or State lands, building or use restrictions common to the district, existing easements not inconsistent with Purchaser intended use, and building or zoning regulations or provisions shall not be deemed encumbrances or defects.
6. Seller's Obligation: After closing Seller has no rights or obligations to the Water Systems listed on 1.2 (a).
7. Closing Date. The closing ("Closing") of the transactions contemplated by this Agreement shall take place at a location mutually agreed upon by the parties, during regular business hours, on the 3rd business day after the effective date of the WUTC authorization referred to in Section 9.1 or at such other time as the parties may agree ("Closing Date").
8. Conveyance Costs: Seller shall pay all real estate excise tax and Purchaser shall pay any sales tax that may be payable upon this transaction. Purchaser shall pay costs in connection with transfer of the water rights.
9. Notices: Any notices between the parties shall be transmitted by ordinary first class mail addressed as follows:

To Purchaser: Robert N. Thurston
80 Sparrow Crt
Port Ludlow, WA 98365

To Seller: Gamble Bay Water Inc.
Mike and Charlie Knapp
PO Box 709
Keyport, Washington 98345

10. Customer List and Drawings: Seller shall provide Purchaser with complete customer list including, name, site address, phone number, parcel number and mailing address as listed in

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Schedule 10. Seller will also provide Purchaser with all available as-built drawing of the Seller's Systems.

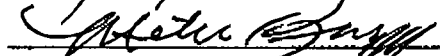
11. Waiver: No waiver or modification by Seller of any term or condition of this agreement shall be effective unless in writing, signed by Seller or their duly authorized agent. No waiver or indulgence by Seller of any deviation or departure by Purchaser from full performance of this agreement shall be waiver of the right of Seller from subsequent or other full and timely performance.
12. Litigation: To the best of Seller's knowledge and except as described in Schedule 12 hereof, there is no action, suit, proceeding, claim arbitration, or investigation, audit, inquiry or hearing, at law or in equity, before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or other person pending or, to the knowledge of Seller, threatened, against Seller or relating to or affecting Seller, its business, assets or properties or any basis for such action, suit, proceeding, claim investigation, audit, inquiry, or hearing to the knowledge of Seller. Seller is not presently engaged in any legal action to recover money due it or damages sustained. Seller, the water system, or operation of the water system thereof has no knowledge of any complaints lodged with State and/or County Department of Health or Washington State Utilities and Transportation Commission.
13. Attorney Fees: In the event either party breaches this agreement, the other party shall, in addition to other damages, be entitled to reasonable attorney fees.
14. Successors in Interest: This Contract shall be binding upon and inure to the benefit of the respective heirs, successors, assigns, and legal representatives of the parties.
15. Special Interest: Except as listed on Schedule 15, there are no special interests or agreements binding to these water systems. No water systems owned by Seller, except those listed, shall be included as part of this Asset Purchase Agreement.

There are no written or oral agreements modifying this agreement and no warranties other than as set forth herein.

Seller:

Gamble Bay Water Co. Inc..

Date: 3/31/05

By: 

Mike Knapp, President

(360) 779-6283

Purchaser:

T&T Professional Services

Date: 3/31/05

By: 

Robert N. Thurston

(360)437-9852

Initials Seller: MK Initials Purchaser _____ Gamble Bay/T&T Professional Purchase Agreement March 25, 2005

IMPORTANT NOTICE

March 25,2005

On March 31,2005 Gamble Bay Water, Inc. will ask the Washington Utilities & Transportation Commission (WUTC) for permission to transfer ownership of the Pinewood Water System ID # 45507P, the Lightmoor Water System ID # 66934K, and the Piper (Tolo Rd) Water system ID # 00887P to T&T Professional Services.

The WUTC holds an open meeting in Olympia on all transfers. The open meeting is scheduled for Wednesday, April 27,2005. If approved, the transfer will be effective May 1,2005. If you cannot attend the meeting on this proposal and would like your comments reflected in the formal record., you may call or write the WUTC at the following address:

Secretary, Washington Utilities & Transportation Commission
PO Box 47250
Olympia, WA 98504-7250
1-800-562-6150
Email address: Comments@wutc.wa.gov.

If the transfer is approved by the WUTC, you will receive a final bill from Gamble Bay Water,Inc. for water service through April 30,2005. Your rates will remain the same at this time.

Gamble Bay Water is ceasing water utility business in Washington and has worked hard to find a responsible water purveyor for your system.

T&T Professional Services (T&T) is a contractor specializing in management, operation, and maintenance of water & wastewater facilities. Bob Thurston who has been in the water service business for 15 yr owns it. He has been an active participant in managing Gamble Bay Water's systems since Dec.2003. Bob has the knowledge, expertise, and certification (Water Distribution Manager - 2) to meet & exceed the Dept. of Health's criteria for being a class B water systems purveyor .
He can be reached at :

T&T Professional Services
80 Sparrow Ct.
Port Ludlow, WA 98365
(360) 437-9852
Emergencies - (360) 301-3535.