

**THE TOWN OF CATHLAMET WATER AND WASTEWATER SYSTEMS  
ASSET TRANSFER AND IMPROVEMENT AGREEMENT**

This agreement is made and entered into to be effective the \_\_\_\_ day of \_\_\_\_\_, 2025, by and between the **Town of Cathlamet**, a Washington state municipal corporation (“Town”), and the **Public Utility District No. 1 of Wahkiakum County**, a Washington state municipal corporation (“PUD”) (collectively, “the Parties”).

**RECITALS**

A. Pursuant to State law, the Town and the PUD are each authorized to operate water, wastewater collection and treatment systems and to enter into agreements regarding the transmission, disposal and treatment of wastewater and the operation and ownership of facilities.

B. The Town currently operates a water system designated by the Washington State Department of Health as ID 11850D and a wastewater treatment facility and sewer collection system operating under Washington State Department of Ecology permit nos. WAG641009 and WA0022667, located in Wahkiakum County.

C. The PUD has authority through RCW Ch. 54 to acquire, construct, operate, maintain, and add to water and wastewater systems.

D. Pursuant to RCW 35.92.010 and RCW 39.33.010, the Town is authorized to sell, convey, lease, or transfer utility systems to another municipal corporation.

E. The transfer of the Town’s water and wastewater systems to the PUD is expected to improve operational efficiency, ensure continued regulatory compliance, and provide long-term financial sustainability for customers.

F. The Town agrees to transfer ownership of its water and wastewater systems and other enumerated assets to the PUD and the PUD wishes to accept ownership and control of such assets, water system and waste water system.

G. In consideration of such transfer, the PUD is willing to assume the indebtedness of the Town water and wastewater systems as outlined in Section 1.2.2.

H. The Town Council and the PUD Board of Commissioners have approved this agreement by their respective resolutions, Town Resolution No. \_\_\_\_\_ and PUD Resolution No. \_\_\_\_\_, and authorized its execution, delivery and performance.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and PUD agree as follows:

## **AGREEMENT**

### **1. TRANSFER OF THE TOWN WATER SYSTEM**

1.1. Acquisition of the Town Water and Wastewater Systems. The Town, for the rights and benefits under this Agreement and other good and valuable consideration, the receipt of which the Town acknowledges, grants, conveys, assigns and delivers to the PUD, and the PUD accepts, the Town Water and Wastewater Systems (“TWWS”), as more specifically described as follows:

1.1.1. Real Property. The Town will convey to the PUD the real property and improvements associated with the TWWS as described in Schedule 1, which real property consists of \_\_\_\_\_ parcel(s) of approximately \_\_\_\_\_ acres, together with and subject to all improvements, appurtenances, easements, rights-of-way and right-of-access licenses thereto. Said real property will be conveyed by Quit Claim Deed, the form of which will be agreed to by the parties.

1.1.2. TWWS Facilities and Other Assets. The Town will convey to the PUD all TWWS facilities consisting of pipelines, pumps and related facilities and appurtenances, together with all other assets of the Town of any kind, including all rolling stock, tools and other equipment used to maintain the systems, as well as all inventory of pipe and other hardware as set forth and graphically depicted for illustrative purposes in Schedule 2, which includes approximately \_\_\_\_\_ feet of pipelines, certain sample stations, pressure reducing valves, other water distribution system pipelines and related facilities and all improvements, upgrades, and appurtenances, now existing or in the process of construction that comprise of or are used by the Town. Said facilities will be conveyed by Bill of Sale, the form of which will be agreed to by the parties.

1.1.3. Town Easements, Franchises, Interties. The Town will grant, convey, assign and deliver to the PUD all of the Town’s rights and interests in land on which the TWWS is located outside of Wahkiakum County rights-of-way and not transferred to the PUD under this Agreement, pursuant to an Assignment and Assumption of Easements, substantially in the form attached as Schedule 3 (the “Assignment and Assumption Easements”), which consists of all easements, franchises and interties acquired by the Town over, under, along, across, upon and through property necessary for purposes of installing, maintaining and operating certain portions of the TWWS.

- 1.1.4. Assignment of Contracts and Intangibles. To the extent transferable by the Town, the Town will assign to the PUD the following contracts and intangibles related to the TWWS pursuant to an Assignment of Contracts and Intangibles substantially in the form attached as Schedule 4 (the “Assignment of Contracts and Intangibles”): (i) all engineering contracts, drawings, plans and specifications (including as-built), consulting agreements, engineer’s reports, soils reports, environmental reports, utility management reports, plans and recommendations, design contracts, construction contracts, construction subcontracts and supply agreements with subcontractors, suppliers and materialmen, together with copies of all change orders or modifications thereto; (ii) all warranties and guarantees; (iii) all ownership permits, operations permits, licenses and approvals; and, (iv) all rights and duties under any other existing contracts.
- 1.1.5. Transfer of Financial Assets of the TWWS. All funds previously allocated, restricted, or otherwise earmarked by the Town for the benefit of the TWWS, including funds designated for capital improvements, upgrades, or repairs, shall be transferred to the PUD at Closing. For purposes of this Agreement, “*otherwise earmarked*” means any funds derived from or associated with TWWS operations and intended for the benefit of the TWWS, including but not limited to utility payments collected from customers, refunds or reimbursements related to TWWS expenditures, or proceeds from insurance, grants, or similar sources designated for system-related purposes. Such funds shall be used exclusively for the benefit of the TWWS, regardless of whether the associated projects are commenced or completed before or after the Closing Date.
- 1.1.6. Transfer of Water Rights. Subject to applicable law and regulatory approval, the Town shall transfer and assign to the PUD all of its right, title, and interest in and to those certain water rights, certificates, permits, and applications issued by the Washington State Department of Ecology or any other governmental authority that are necessary for use in connection with the operation of the TWWS (the “Water Rights”) as described in Schedule 5. The Town shall execute and deliver all documents reasonably necessary to effectuate such transfer, including any applications for change or assignment, and shall cooperate in good faith with the PUD to obtain all consents and approvals required to complete the transfer.
- 1.1.7. Exclusion of Stormwater. The parties agree that the TWWS includes water and sanitary sewage systems only and shall consist of domestic, commercial and industrial wastewater (but not other industrial waste) from which storm, surface and groundwater is excluded. The PUD shall not be responsible for the collection, treatment, conveyance, or management of stormwater flows, except to the extent such flows are lawfully permitted and explicitly transferred under this Agreement.

Prior to Closing, the Parties shall enter into an interlocal agreement addressing coordination between the Town's stormwater system and the TWWS, including: (1) Identification and resolution of any known or suspected cross-connections between stormwater and sanitary sewer systems; (2) Division of responsibilities for future maintenance and improvements involving shared infrastructure or overlapping areas of operation; (3) Communication protocols and information-sharing for addressing regulatory compliance or customer complaints.

As part of this coordination, the Town shall deliver to the PUD a complete list of known or suspected stormwater/sewer cross-connections, along with any related Public Works documentation, smoke testing results, maps, and planning documents. Any such documentation shall be provided no later than thirty (30) days before the Closing Date, unless otherwise agreed by the Parties.

## 1.2. Consideration.

1.2.1. No Monetary Payment. The exclusive consideration for the TWWS transfer are the mutual rights, obligations and covenants described in this Agreement, and the PUD's assumption of the indebtedness of the TWWS as set forth below. Except as provided in this Agreement, neither the Town nor the PUD will be obligated to pay any other monetary consideration to each other. The Parties find and determine that this exchange of consideration represents the true and full value of the TWWS and the mutual rights, obligations and covenants described in this Agreement.

1.2.2. Utility Taxes. The Parties acknowledge and agree that, consistent with applicable law, the Town shall continue to receive utility taxes on the provision of water and wastewater services within its jurisdiction. Nothing in this Agreement shall be construed to impair or waive the Town's lawful authority to impose and collect utility taxes.

1.2.3. Franchise Fee. The PUD shall pay a franchise fee to the Town for use of Town rights-of-way for the operation of the TWWS, in an amount and on terms to be established by mutual agreement of the Parties in a separate franchise agreement to be executed prior to or concurrently with Closing.

### 1.2.4. Assumption of Indebtedness.

1.2.4.1. Identified Obligations. As part of the consideration for the transfer of the TWWS, the PUD agrees to assume responsibility for the indebtedness specifically identified in Schedule 5 attached hereto and incorporated herein by this reference (the "Assumed Obligations").

1.2.4.2. Terms of Assumption. The PUD's assumption of the Assumed Obligations shall be subject to the following conditions: (a) The PUD's receipt and review of all applicable loan documents and amortization schedules; (b) Any necessary consents or approvals from the lender(s), including but not limited to the Washington State Public Works Board, USDA Rural Development, or other applicable agencies; (c) Execution of any assumption agreements or other documents required by the lender(s).

1.2.4.3. No Assumption of Other Debt. Except for the Assumed Obligations identified in Schedule 5, the PUD shall not be deemed to assume, and expressly disclaims, any other debts, liabilities, or obligations of the Town, whether known or unknown, contingent or fixed, arising prior to the Closing Date.

### 1.3. Conditions of Assets and Title.

1.3.1. Assets. The PUD acknowledges it has examined the TWWS and that it accepts the same in its condition as of the Closing Date, "as is and where is," except as specifically set forth in this Agreement.

1.3.2. Title. If requested by the PUD, the Town shall deliver to the PUD a preliminary commitment for title insurance, at a cost to be paid for by the PUD at Closing, together with copies of all exceptions and encumbrances for all or any portion of the TWWS that is transferred to the PUD.

1.3.3. Encumbrances. The Town shall convey the TWWS to the PUD free and clear of all liens, liabilities, and encumbrances arising from the Town's actions or omissions, except those specifically identified in this Agreement and expressly accepted by the PUD, including any indebtedness or obligations that the PUD has agreed to assume in connection with the transfer.

### 1.4. Closing and Possession; Acceptance of Documents.

1.4.1. Closing Date. The transfer of the TWWS will occur on January 2<sup>nd</sup>, 2026 or a similar date mutually acceptable to the Parties ("Closing" or "Closing Date") on and after which the PUD is entitled to possession of the same. Upon establishment of the Closing Date, the Mayor of the Town, or their designee, is authorized and directed to execute and cause the recording of, as necessary, the Quit Claim Deeds, the Bill of Sale, the Omnibus Assignment and Assumption Easements and the Assignment of Contracts and Intangibles (collectively, "Schedules") on or before the Closing Date. The Parties will cooperate in the execution and recording of all documents necessary to complete the TWWS transfer.

1.4.2. Closing Costs and Expenses. Costs and expenses of all such transfers, including recording of any such documents necessary to transfer ownership of facility, easements, leases and other tangible and intangible property from the Town to the PUD shall be borne by the PUD.

1.4.3. Termination of PIWS Contract. As of the Closing Date, the agreement, and all amendments thereto, under which the Town provides water service to the PUD's Puget Island Water System ("PIWS Contract") shall terminate in full, and the PUD shall assume all responsibilities for water supply and service to that system. Within thirty (30) days following the Closing Date, the Parties shall cooperate in good faith to calculate any final charges, payments, or adjustments necessary to fully reconcile accounts related to such service. Any outstanding balances due to either Party shall be paid within thirty (30) days of the completion of such reconciliation.

1.4.4. Transition and Interim Operations. Beginning June 2, 2025, the PUD shall commence transition activities in coordination with the Town in anticipation of the Closing Date. As part of this transition, the PUD may assist with or continue implementation of certain infrastructure projects initiated by the Town, including but not limited to the SCADA system replacement, raw water intake improvements, and potential Butler Street infrastructure repairs associated with Transportation Improvement Board (TIB) grant funding.

The Parties agree to negotiate in good faith and enter into an agreement prior to the Closing Date to define the scope of such transition efforts, the allocation of responsibilities, and coordination procedures between the Parties during the interim period. This agreement shall also address project management responsibilities, reimbursement procedures (if any), and regulatory compliance coordination during the transition phase.

1.5. Contingencies. All obligations of the PUD under this Agreement are expressly conditioned upon the satisfaction, in the PUD's sole discretion, of each of the contingencies set forth in this Section 1.5 on or before the Closing Date. If any contingency is not satisfied or waived by the PUD in writing by the Closing Date, the PUD may, in its sole and absolute discretion, (i) waive such condition and proceed to Closing, or (ii) terminate this Agreement by written notice to the Town, in which case neither Party shall have any further liability or obligation under this Agreement, except for those that expressly survive termination.

1.5.1. Accuracy of Representations. The representations and warranties of the Town contained in this Agreement shall be true, complete, and correct in all material respects as of the Effective Date and as of the Closing Date, as though made on and as of the Closing Date, except to the extent such representations and warranties are

expressly made as of an earlier date.

- 1.5.2. Satisfactory Due Diligence. The PUD shall have completed, to its sole satisfaction, all inspections, investigations, and reviews of the TWWS, including, without limitation, financial, legal, environmental, and operational matters. The Town shall provide full access to its personnel, facilities, and all books, records, and documents reasonably requested by the PUD in connection with such review.
- 1.5.3. Compliance and Performance. The Town shall have duly performed and complied with all covenants, agreements, and obligations required under this Agreement to be performed or complied with by the Town on or before the Closing Date in all material respects.
- 1.5.4. No Material Adverse Change. Between the Effective Date and the Closing Date, there shall have been no material adverse change in the physical condition, operation, legal status, or financial condition of the TWWS, except for ordinary wear and tear consistent with prudent utility practice.
- 1.5.5. Consents for Transfer. The Town shall have obtained all consents, authorizations, approvals, assignments, and releases necessary to transfer the TWWS and related assets to the PUD free and clear of any liens, encumbrances, or restrictions not expressly assumed or waived by the PUD.
- 1.5.6. Water Rights and Debt Transfer. All necessary approvals for the transfer of the Town's water rights and assumption by the PUD of the Assumed Obligations (as defined in Schedule 6 shall have been obtained, or sufficient assurance provided, in form and substance acceptable to the PUD.
- 1.5.7. Release of School District Option. As of the Closing Date, the Town shall have obtained and delivered to the PUD a full and unconditional release or termination of the option to purchase the sewage treatment plant property (Assessor Parcel No. 020806-440026 / 4114) held by the Wahkiakum School District, as set forth in deed filed under Wahkiakum County Auditor's File No. 2013599.
- 1.6. Representations and Warranties of the Town. The Town represents and warrants to the PUD as follows:
  - 1.6.1. Organization and Authority. The Town is a municipal corporation duly organized, validly existing and in good standing under and by virtue of the Constitution and the laws of the State of Washington. The Town 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 the Town under this Agreement. The execution, delivery and performance of this Agreement and all agreements, documents and instruments contemplated by this Agreement have been duly authorized by all necessary action on the part of the Town.

- 1.6.2. Title to Assets. Except as otherwise disclosed to the PUD in writing, as of the Effective Date, the Town has good and marketable title to the TWWS, and none of the same are subject to any mortgage, pledge, lien, conditional sale, title redemption agreement, lease, encumbrance or other claim or charge that will not be discharged at Closing.
- 1.6.3. No Litigation. There are no suits, claims, proceedings, judgments or pending actions against the Town relating to its interest in or operation of the TWWS.
- 1.6.4. No Violation. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the performance by the Town of, and compliance by the Town with, this Agreement will violate federal, state or local laws, regulations, approvals or permits.
- 1.6.5. Hazardous Materials. To the best of its knowledge, the Town represents that there are no Hazardous Materials on, under or about the TWWS; no Hazardous Materials have at any time been generated, manufactured, released or disposed of on, under or about the TWWS; there are no past, current or threatened Hazardous Materials Claims. For the purposes of this paragraph, "Hazardous Materials" includes, but is not limited to, any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any federal, state or local environmental statute, regulation or ordinance presently in effect (collectively, "Hazardous Material Laws"). For the purposes of this paragraph, Hazardous Materials Claims means any enforcement, cleanup, removal, remedial or other governmental or regulatory notices, actions, agreements or orders threatened, instituted or completed pursuant to any Hazardous Materials Laws, together with any and all claims made or threatened by any third party against the Town or the property relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, release or discharge of any Hazardous Materials.
- 1.6.6. Disclosure of Contracts. The Town will deliver to the PUD, no later than ten (10) business days after the Effective Date of this Agreement, a complete and accurate list of all contracts, agreements, leases, licenses, and other binding commitments (collectively, "Contracts") relating to the operation, maintenance, or improvement of the TWWS that are in effect as of the date of this Agreement. The Town shall also provide true and complete copies of such Contracts upon request. The Town warrants



that there will be no undisclosed Contracts related to the TWWS by the Closing Date.

1.6.7. Status of Water Rights. The Town represents that, to the best of its knowledge, the Water Rights are in good standing and not subject to forfeiture, cancellation, or pending adverse proceedings.

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

1.7. Representations and Warranties of the PUD.

1.7.1. Organization and Authority. The PUD is a municipal corporation duly organized, validly existing and in good standing under and by virtue of the Constitution and the laws of the State of Washington. The PUD 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 the PUD 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 the PUD.

1.7.2. No Violation. Neither the execution and delivery of this Agreement, the consummation of the transaction contemplated hereby, nor the performance by the PUD of, and compliance by the PUD with, this Agreement will violate federal, state or local laws, regulations, approvals or permits.

1.7.3. No Litigation. There are no suits, claims, proceedings, judgments or pending actions against the PUD relating to its interest in or operation of the TWWS.

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

1.8. Meter Reading, Billing and Revenue Collection. The Town will provide meter reading, billing and revenue collection services up to the Closing Date. After the Closing Date, the PUD will be responsible for reading the meters, billing and collecting revenue. Any revenue collected by the Town after the Closing Date for services rendered shall be promptly remitted to the PUD.

1.9. Conduct of Business Prior to Closing. Prior to Closing, the Town covenants as follows

and the Parties agree as follows:

- 1.9.1. Agreement Changes. Prior to Closing, the Town may not make or agree to any changes in the Town's agreements or leases relating to the TWWS without delivering prior written notice to the PUD.
- 1.9.2. New Contracts. Prior to Closing, the Town may not enter into any agreement or commitment relating to the TWWS that is not terminable at will without obtaining written approval from the PUD.
- 1.9.3. Operation and Maintenance. Prior to Closing, the Town will: (i) operate, maintain and repair the TWWS so that the TWWS remains in the same condition as its condition on the Effective Date, except for ordinary wear and tear; (ii) hold itself out as the purveyor for the TWWS service area; (iii) operate or cause to be operated the properties of the TWWS and the business in connection therewith in an efficient manner and at a reasonable cost; and (iv) operate and maintain the TWWS in compliance with the standards of the Washington State Department of Health, Washington State Department of Ecology, U.S. Environmental Protection Agency and any other applicable regulating entities. Between the Effective Date and the Closing Date, the PUD may inspect any improvement or construction performed on the TWWS, as the case may be.
- 1.9.4. Damage to the TWWS. Prior to Closing, if any of the TWWS is damaged through the grossly negligent or willful actions or omissions of the Town between the Effective Date and the Closing Date (other than normal wear and tear), the Town will repair or replace the same.
- 1.9.5. PUD Installation of Meter Reading Equipment. Prior to Closing, the Town authorizes the PUD to install meter reading equipment reasonably necessary for the PUD to undertake its meter reading responsibilities under this Agreement, if necessary. The installation and operation of such meter reading equipment may not interfere with the Town's meter reading responsibilities under this Agreement.
- 1.10. Conduct of Business after Closing. On and after the Closing Date, and for so long as the PUD owns the TWWS, the PUD will:
  - 1.10.1. Hold itself out as the purveyor for the TWWS service area.
  - 1.10.2. Operate or cause to be operated the properties of the TWWS and the business in connection therewith in an efficient manner and at a reasonable cost.
  - 1.10.3. Maintain, preserve and keep the properties of the TWWS in good repair, working order and condition.

1.10.4. Make all necessary and proper additions, betterments, renewals and repairs to and improvements, replacements and extensions of the TWWS, except for the TWWS Improvements required to be constructed by the Town under this Agreement.

1.10.5. Operate and maintain the TWWS in compliance with the standards of the Washington State Department of Health, Washington State Department of Ecology, U.S. Environmental Protection Agency and any other applicable regulating entities.

## 2. GENERAL

2.1. Mutual Cooperation Process. The PUD and Town recognize that to realize the full benefits that are contemplated by the understandings and undertakings memorialized in this Agreement it will be necessary for both parties to cooperate with each other in good faith, looking to the public interest and purposes to be achieved by the efficient performance of this agreement. They therefore agree to cooperate fully in order to realize the greatest good for the publics they serve. Should the need arise, the Parties will resolve issues related to this Agreement under the following process:

2.1.1. The Parties will first attempt to resolve the issue through routine meetings and communications in the ordinary course of business.

2.1.2. If either the designee of the Town or the General Manager of the PUD determines that routine meetings and communications will not resolve the issue, the Parties will then attempt to resolve the issue through formal meetings or negotiations between representatives of the Parties appointed by their respective governing bodies.

2.1.3. If either representative of the respective governing bodies of the Parties determines that formal meetings or negotiations will not resolve the issue, then either Party may demand mediation through a process mutually agreed to in good faith between the Parties within 30 days of the demand, which may include binding or nonbinding decisions or recommendations. The mediator(s) must be individuals skilled in the legal and business aspects of this Agreement. The Parties will share equally the costs of mediation and assume their own costs.

2.1.4. If mediation does not resolve the issue, the Parties may pursue any and all available remedies under applicable law.

## 2.2. Indemnification.

2.2.1. To the extent permitted by law, the Town agrees to defend, indemnify and hold harmless the PUD and its elected officials, officers, employees and agents from all claims, demands, suits, penalties, losses, damages, judgments, liabilities, expenses, costs and reasonable attorneys' fees arising out of or in any way resulting from a

breach of the Town's duties, obligations, representations or warranties under this Agreement and its Schedules. Should a court of competent jurisdiction determine this Agreement or its Schedules are subject to RCW 4.24.115, then in the event of liability for damages caused by the negligence or concurrent negligence of the PUD, the Town's obligation to indemnify the PUD will extend only to the extent of the Town's negligence. The Parties specifically and expressly understand that this indemnification constitutes the Town's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification and only with respect to the PUD. The Parties acknowledge that this waiver has been mutually negotiated.

2.2.2. To the extent permitted by law, the PUD agrees to defend, indemnify and hold harmless the Town and its elected officials, officers, employees and agents from all claims, demands, suits, penalties, losses, damages, judgments, liabilities, expenses, costs and reasonable attorneys' fees arising out of or in any way resulting from a breach of the PUD's duties, obligations, representations or warranties under this Agreement and its Schedules. Should a court of competent jurisdiction determine this Agreement and its Schedules are subject to RCW 4.24.115, then in the event of liability for damages caused by the negligence or concurrent negligence of the Town, the PUD's obligation to indemnify the Town will extend only to the extent of the PUD's negligence. The Parties specifically and expressly understand that this indemnification constitutes the PUD's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification and only with respect to the Town. The Parties acknowledge that this waiver has been mutually negotiated.

2.2.3. The provisions of this Section survive any expiration or termination of this Agreement and its Schedules with respect to any event occurring prior to such expiration or termination.

2.3. Agreement Costs. Each Party shall bear its own costs and expenses related to the negotiation, preparation, and documentation of this Agreement and its Schedules, including, without limitation, legal fees, consultant fees, and due diligence costs. Notwithstanding the foregoing, the PUD shall be responsible for any transfer fees and recording costs associated with the implementation of this Agreement, as set forth elsewhere herein.

#### 2.4. Notices.

2.4.1. *The Town*. All official notices or communications to the Town under this Agreement must be submitted to the following representative(s) or to such other representative as the Town provides:

Mayor  
Town of Cathlamet  
P.O. Box 68  
25 Broadway St.  
Cathlamet, WA 98612  
Email:

With a copy to:  
Fred Johnson, Attorney  
P.O. Box 98  
Cathlamet, WA 98612  
Email:

And a copy to:  
Cathlamet Town Council  
P.O. Box 68  
25 Broadway St.  
Cathlamet, WA 98612  
Email:

2.4.2. *The PUD.* All official notices or communications to the PUD under this Agreement must be submitted to the following representative or to such other representative as the PUD provides:

Daniel Kay, P.E., Manager  
Wahkiakum PUD  
45 River St.  
Cathlamet, WA 98612  
Email: [dkay@wahkiakumpud.org](mailto:dkay@wahkiakumpud.org)

With a copy to:  
Timothy Hanigan, Attorney  
Hanigan Law Office, PS  
P.O. Box 39  
Cathlamet, WA 98612  
Email: [tim@haniganlaw.net](mailto:tim@haniganlaw.net)

- 2.5. Entire Agreement. This Agreement and Schedules contains the entire understanding between the Parties and supersedes any prior understandings regarding the TWWS. No amendment of or supplement to this Agreement is valid or effective unless made in writing and executed by the Parties.
- 2.6. Governing Law. This Agreement and its Schedules are governed by and construed according to the laws of the State of Washington. As against the other Party, each Party may file suit to enforce this Agreement and its Schedules only in the Superior Court of Wahkiakum County, Washington.
- 2.7. Successors and Assigns. All of the provisions, terms, conditions and requirements contained in this Agreement are binding upon the successors of the Parties. A Party may not assign its rights and duties under this Agreement without the consent of the other Party, which may not be unreasonably withheld.
- 2.8. No Third Party Rights. This Agreement is solely for the benefit of the Parties and does not grant any right to any other party or person.

- 2.9. Severability. The provisions of this Agreement are separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, holds any provision of this Agreement invalid or unenforceable as to any person or circumstance, the offending provision, if feasible, is modified to be within the limits of enforceability or validity. If the offending provision cannot be modified, it is null and void with respect to the particular person or circumstance. All other provisions of this Agreement in all other respects, and the offending provision with respect to all other persons and all other circumstances, remain valid and enforceable.
- 2.10. Captions. Captions given to the various provisions of this Agreement are for convenience only and are not intended to modify or affect the meaning of any provision.
- 2.11. Counterparts. This Agreement may be executed and delivered in counterparts, each of which is considered an original and all of which together constitute one and the same agreement.
- 2.12. Authority. The individuals signing below represent and warrant that they have the requisite authority to bind the Parties on whose behalf they are signing.

This Agreement is executed by each Party as set forth below:

Town of Cathlamet

Public Utility District No. 1 of Wahkiakum  
County

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: Mayor

Its: General Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Council Position #1 \_\_\_\_\_

Commission #1 \_\_\_\_\_

Council Position #2 \_\_\_\_\_

Commission #2 \_\_\_\_\_

Council Position #3 \_\_\_\_\_

Commission #3 \_\_\_\_\_

Council Position #4 \_\_\_\_\_

Council Position #5 \_\_\_\_\_

## SCHEDULE 1 Real Property

The following real property interests (collectively, the “Real Property”) shall be conveyed by the Town to the PUD via Quit Claim Deed at Closing:

Parcel Number	Site Name / Description	Approx. Total Acreage	Approx. Acreage Needed	Abbr. Legal Description	Address	Fair Market Value
010806-240002 / 1447	Greenwood Reservoir	.2 acres	.2 acres	Ptn NW1/4NW1/4 Svy Bk 1, pg. 85	178 Greenwood Rd, Cathlamet	\$31,600
310905-310001 / 5519	Water System	.3 acres	.3 acres	Tri Tr. Lot 5	451 Elochoman Valley Rd., Cathlamet	\$50,800
060805-110002 / 6298	Kent’s Bridge Reservoir	.4 acres	.4 acres	Ptn. Lot 4	N/A	\$54,900
020806-440026 / 4114	Sewage Treatment Plant	4.6 acres	4.6 acres	Ptn. W1/2 James Birnie DLC, Svy Bk 8, pg 91	171 E. SR 4, Cathlamet	\$702,900
020806-420070 / 3964	Old sewer property / waterfront *	6.6 acres	~.1 acres	Tri Tr. unplatted land adj to Athens	413 2 <sup>nd</sup> St., Cathlamet	\$
020806-420064 / 3958	Old sewer property / waterfront *	.1 acres	~.1 acres	Ptn Lot 3 Blk 4 Athens	375 2 <sup>nd</sup> St., Cathlamet	\$

\* Only a small portion of the property is needed where specific lift stations and facilities are located.

**Note:** All conveyances are subject to existing rights-of-way, easements of record, and other exceptions approved by the PUD, as applicable.

### Legal Descriptions:

#### WATER PARCELS:

Parcel One: (Geographic ID 010806-240002 / 1447)

A parcel of land situated in the Northwest Quarter of the Northwest Quarter (NW1/4 NW1/4) of Section 1, Township 8 North, Range 6 West, W.M., Wahkiakum County, Washington, more particularly described as follows:

Beginning at the northwest corner of a parcel of land conveyed to the herein named Grantor by Deed recorded in Volume 11 at Page 114, Deed Records of Wahkiakum County, Washington, thence Easterly along the northerly line of said Grantor’s property 100.0 feet; thence South 100.0 feet; thence West 100.00

feet; thence Northerly along the westerly line of said Grantor's property 100.0 feet, more or less, to the point of beginning, containing 0.23 of an acre, more or less.

Together with the right to use jointly with Grantor and others an easement on a strip of land 24 feet in width for road use purposes situated in the Northeast Quarter of the Northeast Quarter (NE1/4 NE1/4) of Section 2, Township 8 North, Range 6 West, W.M., Wahkiakum County, Washington, as conveyed to Crown Zellerbach by G.R. Kerstetter and Mildred Kerstetter.

Parcel Two: (Geographic ID 120806-240016 / 2003)

Commencing at an iron pipe at the Southeast corner of Lot 1 of Block 6 of the plat of COLUMBIA RIVER VISTA Subdivision, as recorded in Plat Book "C", records of Wahkiakum County; thence North 1°01'30" West 105.29 feet to the Northeast corner of said Lot 1; thence North 75°47'30" East 11.60 feet along South side of road right of way; thence 74.01 feet along cul-de-sac curve at the end of Cochran Drive; thence North 75°47'30" East 72.40 feet; thence South 1°01'30" East 104.88 feet; thence South 75°33'33" West 150 feet to place of beginning.

Parcel Three: (Geographic ID 310905-310001 / 5519)

A triangular tract of land adjacent to Secondary State Highway 12-D in Lot 5 and the Gustavus Krebs Donation Land Claim in Section 31, Township 9 North, Range 5 West of the Willamette Meridian, described as follows:

Beginning at a point on the existing East right-of-way line of said Secondary State Highway 12-D at Station 17+83.63 T.S., as shown on sheet 1 of 2 sheets of said Secondary State Highway 12-D as approved January 10, 1961; thence North 23°02'30" East along state property 253.45 feet; thence in a Southwesterly direction 200 feet, more or less, to the East right-of-way line of said State Highway 12-D to a point thereon 150 feet Northwest of the point of beginning; thence in a Southeasterly direction along the East right-of-way line of said State Highway 12-D 150 feet, to the parcel of beginning, containing 3/4 acre, more or less, TOGETHER with (1) a right of way for ingress and egress to said tract herein described parallel and adjacent to said state highway for the purpose of constructing and maintaining a driveway into said tract hereinbefore described; and (2) a perpetual easement in any rights of the grantors in the bed of the Elochoman River for the continued maintenance of that certain perforated intake for the municipal water system of the grantee.

Parcel Four: (Geographic ID 060805-110002 / 6298)

A correction deed for that tract of land as described in Exhibit A, under Auditor's File No. 019758 in Section 6, Township 8 North, Range 5 West, Willamette Meridian, Wahkiakum County, Washington described as follows:

Beginning at the West quarter corner of said Section 6; thence South 03°41'24" West along the West line thereof 516.54 feet; thence South 86°18'36" East 767.94 feet to the TRUE POINT OF BEGINNING; thence South 52°5'58" East 100.00 feet; thence North 38°11'02" East 74.79 feet to a chain link fence corner, said fence bearing Northwesterly and Northeasterly; thence North 41°55'06" East along said fence line 50.73 feet; thence North 39°09'13" East 10.05 feet; thence North 33°43'17" East 10.27 feet; thence North 31°15'18" East 28.91 feet to a fence corner; thence continuing along said fence line North 45°56'33" West 44.94 feet; thence North 54°48'40" West 27.27 feet; thence North 57°41'40" West 27.99 feet to a fence corner; thence leaving said fence line North 05°21'43" West 24.71 feet; thence South 84°38'17" West 15.00 feet; thence South 05°21'43" East 41.25 feet to a point in a chain link fence line; thence along said fence



line South 38°03'11" West 78.25 feet to a fence corner, said fence bearing Northeasterly and Southeasterly; thence leaving said fence line South 38°15'44" West 74.62 feet to the True Point of Beginning.

Together with easements as contained in correction reservoir deed filed for record April 6, 1999, under Auditor's File No. 2000195, records of Wahkiakum County, Washington.

Subject to restrictions, reservations and easements of record.

Parcel Five: (Geographic ID 070805-240001 / 6430)

Commencing at a stake marking the Southeast corner of the Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) and the Southwest corner of the Northwest Quarter of the Northeast Quarter (NW1/4 NE1/4) of Section Seven (7), Township Eight (8) North, Range No. Five (5) West, Willamette Meridian; running thence South 80 rods to the Southeast corner of the Northwest Quarter of said Section No. 7; thence West along the southern boundary of the said Northwest Quarter aforesaid, 95 rods to a point; thence North 80 rods to a point; thence 95 rods to the point of beginning, containing 47.50 acres more or less.

All of the above described realty being situated in the Northwest Quarter (NW1/4) of said Section 7, township and range aforesaid: Saving, excepting and reserving therefrom, however, the following:

Commencing at the stake hereinbefore described as the beginning or initial corner of the premises above described and granted; running thence west along the northern boundary of said granted premises to the Northwest corner thereof; thence South 10 rods to a point on the west line of said granted premises; thence in a Northeasterly direction to the point of beginning, making a triangular strip of excepted and reserved from said granted premises on the north thereof: Together with all and singular, the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

SEWER PARCELS:

Parcel Six: (Geographic ID 020806-440026 / 4114)

A parcel of land located within the James Birnie Donation Land Claim, being within the Southeast Quarter of the Southeast Quarter (SE1/4 SE1/4) of Section Two (2), Township Eight (8) North, Range Six (6) West of the Willamette Meridian, being a portion of that particular deed conveyed to Wahkiakum School District No. 200, under Auditor's File No. 18567, as situated within the County of Wahkiakum, State of Washington and being more particularly described as follows, to-wit:

COMMENCING at an iron pipe marking the Northeast corner of that particular deed conveyed to Wahkiakum School District No. 200, as described in Volume 14 of Deeds, at page 344, in the records of Wahkiakum County, Washington; thence South 0°35'16" West, along the East line of said School property, for a distance of 1,650.00 feet (record = South – 1,650 feet); thence North 89°24'44" West for a distance of 2,025.00 feet (record = West – 2,025); thence North 0°35'16" East for a distance of 145.34 feet to the Southeasterly corner of that particular parcel conveyed to the Catholic Church, as described in Volume 23 of Deeds, at page 77, in the records of said county, being located on the Northeasterly right-of-way line of Ocean Beach Highway (SR-4), marked by a rebar with survey cap as shown on that particular survey recorded in Book 8 of Surveys, at page 91, in the records of said county, marking the TRUE POINT OF BEGINNING; thence South 59°46'16" East, along said right-of-way line, for a distance of 11.23 feet; thence North 30°13'44" East, along said right-of-way line, for a distance of 15.00 feet; thence, South 59°46'16" East along said right-of-way line, for a distance of 350.00 feet; thence North 30°13'44" East,

along said right-of-way line for a distance of 45.00 feet; (being the point of beginning of the below described easement); thence leaving said right-of-way, North 30°13'44" East, for a distance of 370.00 feet; thence, North 59°46'16" West, parallel to the centerline of said highway, for a distance of 605.91 feet to the East line of said Catholic Church parcel; thence, South 0°35'16" West, along the East line of said Church parcel, for a distance of 494.74 feet to the TRUE POINT OF BEGINNING: containing 4.65 acres, more or less.

TOGETHERWITH a thirty (30) foot easement for ingress, egress and utilities, more or particularly described as follows:

BEGINNING at a point on the Easterly line of the above described parcel, located North 30°13'44" East, a distance of 45.00 feet from the Southeasterly corner thereof, being a point on the Northeasterly right-of-way line of Ocean Beach Highway (SR 4); thence South 59°46'16" East along said right-of-way line for a distance of 450.00 feet; thence South 30°13'44" West, along said right-of-way line for a distance of 30.00 feet; thence South 59°46'16" East along said right-of-way line for a distance of 30.00 feet; thence leaving said right-of-way line North 30°13'44" East for a distance of 60.00 feet; thence North 59°46'16" West, for a distance of 480.00 feet to the Easterly line of the above described parcel; thence South 30°13'44" West, for a distance of 30.00 feet to the POINT OF BEGINNING.

SUBJECT TO: Any road rights-of-way, private road and/or utility easements, restrictions, reservations, covenants or any other matters of record, if any.

Parcel Seven: (Ptn. Geographic ID 020806-420070, PID 3964)

Legal description will be provided at a later date.

**SCHEDULE 2**  
**Facilities and Other Assets**

**Asset Inventory**

**Wastewater System**

**Wastewater Treatment Plant**

Building

Headworks screens/Auger

Grit Channels

Influent meter and sampler

**Oxidation Ditch**

Aeration/Blower diffusers

Dissolved Oxygen Monitor

Ditch Mixer

**Clarifier Basins**

Drive motors

Arm assembly

Weirs

**Digesters**

Air diffuser assemblies

Decanting assembly

Drying beds

Sludge transfer pump station

Aeration blowers

RAS/WAS pumps

Non-pot pumps

UV Assemblies

Scum pit pumps

**Dewatering equipment**

LMI pump

Polymer mixing setup

Piping setup

Any remaining biobags

Effluent meter and sampler

Anoxic basins and mixers

**Emergency Power**

Emergency generator

**Controls**

SCADA and telemetry system

**Lift Stations**

Side of Old Town Hall at 2<sup>nd</sup> St

Tugboat Alley station

Columbia Street stations (2)

Messenger Hill station

**Water System**

**Water Treatment Plant**

Building

**Raw Water Intake**

Raw water intake

Secondary surface water intake

Intake pumps

Influent turbidimeter

Influent flow meter

**Chemical Feed System**

Streaming current

Metering pumps for coagulant injection

Polymer pumps

Pre-chlorine pumps

Fluoride pumps

Static mixer

**Filtration**

Filler unit

Backwash blowers

Backwash settling tank

Tank sediment remover

**Finished Water**

Lower clearwell

Upper clearwell

Finished water pumps

Post chlorine pumps

Chlorine analyzer

Finished turbidimeter

**Controls**

SCADA and telemetry system

**Emergency Power**

Emergency generator

**Reservoirs**

Greenwood reservoir

Kent's Bridge reservoir

**PRVs**

Greenwood reservoir PRV

Cochran Drive PRV

Boege Rd PRV – Elochoman Millwork

## **Wastewater System – con’t**

Influent lift station  
Angle Street station

### **System Piping**

3” to 16” transmission and distribution piping

## **Water System – con’t**

SR 4/Boege Rd PRV – WSDOT & Fire Hall  
Columbia Street PRV  
Eagle Pt. (High school) PRV

### **Other**

Customer meters  
Interties – Puget Island and Crista Vista

### **Distribution System Piping**

$\frac{3}{4}$ ” to 12” distribution mainline

## **Vehicles, Equipment, and Supplies**

Kioti 25 Hp tractor with loader and forks (USDA purchased solely for sewer plant use)

John Deere riding mower

Associated valves and piping assemblies

Associated portable pumps

Associated chemical stock

Various hand and power tools, toolboxes, etc. located at the facilities and that are exclusively for use within the water and wastewater systems

Various lab equipment and supplies

System computers software licenses

System component manuals and associated documentation

**Note:** This inventory list is not comprehensive, but for the intended purpose, it shall include all pumps, motors, supplies, equipment, facilities and appurtenances, spare parts and components, and other items used in the operation of water and wastewater treatment facilities, distribution, and collection systems.

**[Insert TOC Water System Facilities Map]**

**[Insert TOC Wastewater System Facilities Map]**

**SCHEDULE 3**  
**Assignment and Assumption of Easements**

**ASSIGNMENT AGREEMENT**

Abbrev. Legal:  
Tax Parcel Nos.:  
Reference Nos:

This Assignment Agreement dated as of \_\_\_\_\_, 20\_\_ (“Agreement”), is made by and between the TOWN OF CATHLAMET, a Washington state municipal corporation (“TOC”), and PUBLIC UTILITY DISTRICT NO. ONE OF WAHKIAKUM COUNTY, WASHINGTON, a Washington state municipal corporation (“PUD”).

**RECITALS:**

WHEREAS, TOC and PUD have consummated the transfer of certain property and assets, such transaction being pursuant to the terms and conditions of that certain Water and Wastewater Systems Asset Transfer and Improvement Agreement (“Transfer Agreement”) dated as of \_\_\_\_\_; and

WHEREAS, pursuant to said Transfer Agreement, TOC has agreed to assign to PUD all of its easements, access rights, franchises and interties appurtenant to or used in connection with the property and assets that TOC has conveyed to PUD.

NOW, THEREFORE, in consideration of the exchange of assets and the PUD’s assumption of future responsibility for ongoing maintenance and operation of the TOC water and wastewater systems, the receipt and sufficiency of which are hereby acknowledged by TOC and PUD, TOC and PUD hereby agree as follows:

**AGREEMENT:**

1. Effective as of the date of this Agreement, TOC hereby grants, assigns and transfers to PUD all of TOC’s right, title and interest in and to all access licenses, access agreements, easements, access contracts, franchises, interties and all other rights appurtenant to, or used in connection with the property and assets that TOC has conveyed to PUD, including but not limited to those listed on Exhibit A attached hereto and incorporated herein by this reference.
2. TOC shall indemnify, defend and hold harmless PUD from any claim, loss or liability arising as a result of the failure of TOC to perform obligations accruing on or prior to the date of this Agreement.
3. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.
4. This Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.
5. The rights, conditions and provisions of this Agreement shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, TOC and PUD have executed this Agreement as of the day and year first above written.

TOWN OF CATHLAMET,  
By:

PUBLIC UTILITY DISTRICT NO. ONE  
OF WAHKIAKUM COUNTY, By:

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name: Daniel Kay, P.E.  
Title: Manager

STATE OF WASHINGTON     )  
  }-ss.  
COUNTY OF Wahkiakum     )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she/they signed this instrument, on oath stated that he/she/they is/are authorized to execute the instrument and acknowledge it as the \_\_\_\_\_ of the TOWN OF CATHLAMET, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

**GIVEN** under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_

STATE OF WASHINGTON     )  
  }-ss.  
COUNTY OF Wahkiakum     )

I certify that I know or have satisfactory evidence that Daniel Kay is the person who appeared before me, and said person acknowledged that he/she/they signed this instrument, on oath stated that he/she/they is/are authorized to execute the instrument and acknowledge it as the Manager of PUBLIC UTILITY DISTRICT NO. ONE OF WAHKIAKUM COUNTY, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

**GIVEN** under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_

## **EXHIBIT 'A'**

### Easements

### Franchise

That certain non-exclusive franchise to install, maintain and repair water pipelines and associated appurtenances within Wahkiakum County road rights-of-way and any other existing or future county road rights-of-way within the water and wastewater system service area of the Town of Cathlamet granted by Wahkiakum County Resolution No. \_\_\_\_\_ adopted by the Board of County Commissioners on \_\_\_\_\_.

### Intertie



**SCHEDULE 4**  
**Assignment of Contracts and Intangibles**

**ASSIGNMENT OF CONTRACTS AND INTANGIBLES**

This Assignment of Contracts and Intangibles (“Assignment”) is made effective as of the \_\_\_\_ day of \_\_\_\_\_, 2025 (“Effective Date”), by and between the Town of Cathlamet, a Washington municipal corporation (“Assignor”), and Public Utility District No. 1 of Wahkiakum County, a Washington municipal corporation (“Assignee”).

**RECITALS:**

WHEREAS, Assignor and Assignee entered into that certain Water and Wastewater Systems Asset Transfer and Improvement Agreement dated \_\_\_\_\_, 2025 (the “Agreement”), pursuant to which Assignor has agreed to transfer, and Assignee has agreed to accept, the Town Water and Wastewater Systems (TWWS), including certain contracts, permits, warranties, and other intangible rights associated therewith; and

WHEREAS, pursuant to Section 1.1.4 of the Agreement, Assignor agrees to assign to Assignee certain Contracts and Intangibles as described herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

**1. Assignment**

Assignor hereby assigns, transfers, and conveys to Assignee all of Assignor’s right, title, and interest in and to the following, to the extent transferable by law or third-party agreement, and only to the extent they relate to the TWWS:

- a. All engineering contracts, drawings, plans, and specifications (including as-built), consulting agreements, engineer’s reports, soils reports, environmental reports, utility management reports, and related professional materials;
- b. All construction contracts, supply agreements, purchase orders, and subcontracts relating to construction, installation, or improvement of the TWWS;
- c. All warranties and guarantees from contractors, vendors, suppliers, engineers, or manufacturers concerning the TWWS or its components;
- d. All licenses, permits, certificates of operation, approvals, and applications associated with the TWWS issued by any governmental authority;
- e. All other intangibles or agreements specifically identified by the Assignor on the attached Exhibit A.

**2. Assumption**

Assignee accepts the assignment of the above and assumes the obligations arising thereunder from and after the Effective Date, provided, however, that Assignee does not assume any liabilities or obligations arising prior to the Effective Date unless expressly agreed in writing.

### 3. Further Assurances

Assignor agrees to execute and deliver such additional documents and take such further actions as may be reasonably necessary to effectuate the purposes of this Assignment.

### 4. Binding Effect

This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the Parties have executed this Assignment effective as of the date first above written.

TOWN OF CATHLAMET,  
By:

PUBLIC UTILITY DISTRICT NO. ONE  
OF WAHIAKUM COUNTY, By:

\_\_\_\_\_  
Name:  
Title: Mayor

\_\_\_\_\_  
Name: Daniel Kay, P.E.  
Title: Manager

STATE OF WASHINGTON    )  
  }-ss.  
COUNTY OF Wahkiakum    )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she/they signed this instrument, on oath stated that he/she/they is/are authorized to execute the instrument and acknowledge it as the \_\_\_\_\_ of the TOWN OF CATHLAMET, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

**GIVEN** under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_

STATE OF WASHINGTON    )  
  }-ss.  
COUNTY OF Wahkiakum    )

I certify that I know or have satisfactory evidence that Daniel Kay is the person who appeared before me, and said person acknowledged that he/she/they signed this instrument, on oath stated that he/she/they is/are authorized to execute the instrument and acknowledge it as the Manager of PUBLIC UTILITY DISTRICT NO. ONE OF WAHIAKUM COUNTY, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

**GIVEN** under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_  
My commission expires: \_\_\_\_\_

**Exhibit A – List of Contracts and Intangibles**

**SCHEDULE 5**  
**Water Rights to be Transferred**

The following water rights held by the Town of Cathlamet (collectively, the “Water Rights”) shall be transferred to the PUD, subject to applicable laws and regulatory approval:

<b>Water Right Number</b>	<b>Certificate / Permit Type</b>	<b>Priority Date</b>	<b>Purpose of Use</b>	<b>Quantity (GPD or GPM)</b>	<b>Place of Use</b>	<b>Point(s) of Diversion / Withdrawal</b>	<b>Status</b>
10260 S2*05355 C	Certificate	2/4/1941	Municipal	.83 ft <sup>3</sup> /sec		Gustavus Kreb DLC No. 37, Sec. 31, T9N, R5WWM (Elochoman River)	Perfected
S2-SWP4602	Superseding Permit	10/6/1945	Municipal	61.5 acre-feet/year	Water system lands	500 ft S & 1000 ft W from center of Sec. 31, T9N, R5WWM (Elochoman River)	
S2-SWC3968(B)	Superseding Permit	3/8/1946	Municipal	.2 ft <sup>3</sup> /sec		Elochoman (surface water pump)	
S2-SWC3718(B)	Superseding Certificate	8/1/1946	Municipal	.3 ft <sup>3</sup> /sec		Elochoman (surface water pump)	

**Note:** This Schedule is based on the Town’s most recent records and representations. Final transfer shall be subject to acceptance and approval by the Washington State Department of Ecology or other applicable regulatory body.

**SCHEDULE 6**  
**Assumed Obligations**

The following outstanding obligations related to the Town Water and Wastewater Systems (collectively, the “Assumed Obligations”) shall be assumed by the PUD as of the Closing Date, subject to the terms and conditions set forth in the Agreement:

<b>Lender</b>	<b>Loan ID / Contract No.</b>	<b>Purpose</b>	<b>Original Principal</b>	<b>Outstanding Balance (Est.)</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
<b>USDA Water Rev Bond</b>	[Insert]		\$(Insert)	\$(Insert)	[Insert]%	[Insert]
<b>PWTF Loan</b>	[Insert]		\$(Insert)	\$(Insert)	[Insert]%	[Insert]
<b>PWTF Loan</b>	[Insert]		\$(Insert)	\$(Insert)	[Insert]%	[Insert]
Other: [Insert]	[Insert]	[Insert Purpose]	\$(Insert)	\$(Insert)	[Insert]%	[Insert]

**Notes:**

- Actual outstanding balances to be verified as of the Closing Date.
- Any required assumption agreements or lender consents shall be obtained prior to or at Closing.