

RESOLUTION NO. 15-1061

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON REGARDING CONSENT TO ASSIGNMENT OF CERTAIN WATER SUPPLY AGREEMENTS

WHEREAS, in 2003, the City of Black Diamond entered a set of agreements known as (a) the Water Supply And Facilities Funding Agreement ("WSFFA") by and among the City of Black Diamond, Plum Creek Land Company, Palmer Coking Coal Co., and Black Diamond Associates, Ltd., (b) the Palmer Coking Coal Company In-City WSFFA, (c) the Plum Creek Land Company In-City WSFFA, and (d) the Three Party Agreement by and among Plum Creek Land Company, Black Diamond Associates, Ltd., and Palmer Coking Coal Company (collectively the "2003 Water Agreements"); and

WHEREAS, the 2003 Water Agreements addressed water supply for the City of Black Diamond generally, as well as water supply for future real estate development projects which are now known as The Villages and Lawson Hills Master Planned Developments; and

WHEREAS, the 2003 Water Agreements authorized the posting of Adequate Assurances, defined to mean adequate security interests to cover certain financial obligations; and

WHEREAS, CCD Black Diamond Partners LLC, a Delaware Limited Liability Company, is acquiring The Villages and Lawson Hills Master Planned Developments from BD Lawson Partners, LP and BD Village Partners, LP; and

WHEREAS, the Adequate Assurances posted by BD Village Partners, LP, BD Lawson Partners, LP or their predecessors shall remain with the City of Black Diamond for the benefit of CCD Black Diamond Partners LLC; and

WHEREAS, the 2003 Water Agreements authorize any party to assign all or a portion of their rights upon written notice to the other party, and provide that assignment must have the City's consent which "consent will not be unreasonably withheld," and include that the assignment will be effective within 60 days following notice by the assignor; and

WHEREAS, BD Lawson Partners, LP and BD Village Partners, LP seek City consent to assignment of the 2003 Water Agreements to CCD Black Diamond Partners LLC, together with release of BD Lawson Partners, LP and BD Village Partners, LP from all obligations under the 2003 Water Agreements and assumption of those obligations by CCD Black Diamond Partners LLC; and

WHEREAS, the City staff has determined that the financial obligations in these agreements can be secured by a letter of credit in the amount of \$2,888,300 and CCD Black Diamond Partners LLC provided such letter of credit to the City by December 17, 2015; and

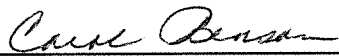
WHEREAS, the City Council has reviewed this request for assignment and release from obligations, wishes to confirm that it has reviewed evidence that assignee CCD Black Diamond Partners LLC can financially perform the obligations under the 2003 Water Agreements, and wishes to confirm this Resolution as its final action related to the assignment;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND,
WASHINGTON, DOES RESOLVE AS FOLLOWS:**

Section 1. The City Council determines that, based on the above, the Council consents to assignment of all obligations of BD Lawson Partners, LP and BD Village Partners, LP by CCD Black Diamond Partners LLC in the 2003 Water Agreements.

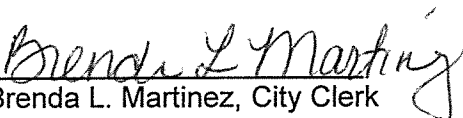
**PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT
A REGULAR MEETING THEREOF, THIS 17TH DAY OF DECEMBER, 2015.**

CITY OF BLACK DIAMOND



Carol Benson, Mayor

Attest:


Brenda L. Martinez, City Clerk