

RESOLUTION NO. 02-2006

A RESOLUTION of the Board of Directors of the North Beach Public Development Authority, Pacific County, Washington, authorizing capital contributions to Ocean Park Acquisitions, LLC, to permit the PDA to acquire the assets of Ocean Park Water Company.

WHEREAS, the North Beach Public Development Authority, Pacific County, Washington (the "PDA") has been established as a public corporation pursuant to Resolution No. 2004-073 of the Board of Commissioners of Pacific County (the "County"), in accordance with Ordinance No. 155 of the County and the provisions of RCW 35.21.730-759 relating to public corporations; and

WHEREAS, by its charter, approved by Resolution No. 2004-073 as amended by Resolution No. 2005-012 of the County Board of Commissioners (the "Charter"), the PDA is authorized to undertake, assist with and otherwise facilitate the improvement of municipal water and/or fire suppression service to the unincorporated communities, known as Ocean Park, on the North Beach Peninsula north of Cranberry Road; and

WHEREAS, the PDA's Board of Directors (the "PDA Board") has heretofore determined that it is in the best interests of the residents of Ocean Park and in furtherance of the PDA's purpose under the Charter for the PDA to acquire the water supply and distribution facilities owned by Ocean Park Water Company (the "OPWC Facilities"); and

WHEREAS, Ocean Park Acquisitions LLC, a Washington limited liability company of which the PDA is the manager and sole member ("OPA LLC"), has agreed to acquire substantially all of the stock of Ocean Park Water Company, to dissolve the company and distribute the OPWC Facilities to the PDA; and

WHEREAS, the PDA Board wishes to authorize capital contributions to OPA LLC in amounts sufficient to complete the PDA's acquisition of the OPWC Facilities;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH BEACH PUBLIC DEVELOPMENT AUTHORITY, PACIFIC COUNTY, WASHINGTON, as follows:

To acquire the OPWC Facilities as heretofore authorized by the PDA, the PDA Board hereby approves capital contributions by the PDA to OPA LLC in amounts sufficient to permit OPA LLC's acquisition of a controlling interest in OPWC (pursuant to that certain Stock Purchase Agreement dated January 30, 2006, between OPA LLC and Peter and Bonnie Christoson (the "Agreement")), and payment of the costs of dissolving OPWC and distributing the OPWC Facilities to the PDA. The PDA Board directs that such contributions of PDA funds to pay the purchase price of the stock pursuant to the Agreement be paid by the Pacific County Treasurer's office directly to Peter and Bonnie Christoson.

OPA LLC shall be dissolved as soon as possible after these transactions are completed.

The officers, agents and attorneys of the PDA are hereby authorized to take any actions and to execute agreements, certificates and other documents as in their judgment may be necessary or desirable to carry out the terms of, and complete the transactions contemplated by, this resolution and by the prior acts and agreements of the PDA. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified.

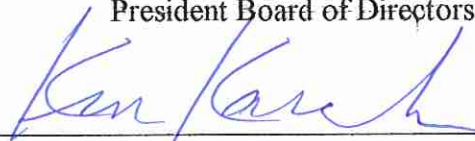
This resolution shall become effective upon its adoption as provided by law.

ADOPTED by the Board of Directors of the North Beach Public Development Authority, Pacific County, Washington, at a special meeting thereof held this 14th day of February, 2006.

NORTH BEACH PUBLIC DEVELOPMENT
AUTHORITY, PACIFIC COUNTY,
WASHINGTON



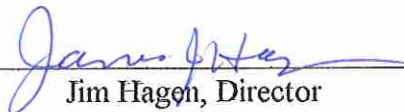
R. D. Williams,
President Board of Directors



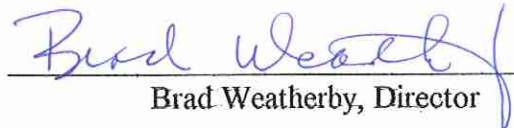
Ken Karch, Vice President



Tom Downer, Treasurer

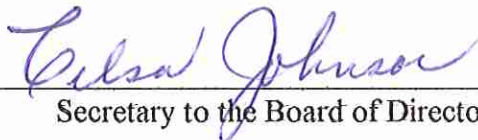


Jim Hagen, Director



Brad Weatherby, Director

Attest:


Secretary to the Board of Directors