

## RESOLUTION NO.06-2006

A RESOLUTION of the Board of Directors of the North Beach Public Development Authority, Pacific County, Washington, authorizing expenditures to permit the PDA to complete its acquisition of certain water system facilities formerly owned by Ocean Park Water Company, Inc.

WHEREAS, the North Beach Public Development Authority, Pacific County, Washington (the "PDA") is authorized by its charter to improve municipal water and fire suppression water supply to the unincorporated communities in the vicinity of Ocean Park in Pacific County; and

WHEREAS, the PDA's Board of Directors (the "PDA Board") has established a water supply and distribution system by acquiring facilities owned by Pacific Water Company and Ocean Park Water Company, Inc. ("OPWC" and the "OPWC Facilities"); and

WHEREAS, to acquire the OPWC Facilities, Ocean Park Acquisitions LLC, a Washington limited liability company of which the PDA is the manager and sole member ("OPA LLC"), at the PDA's direction, acquired a controlling interest in OPWC, distributed its assets to the PDA, paid off the other remaining shareholders, and intends to dissolve OPWC; and

WHEREAS, by its Resolution Nos. 02-2006 and 04-2006, the PDA Board has authorized capital contributions to OPA LLC to complete the PDA's acquisition of the OPWC Facilities, including the payment of final tax obligations of OPWC upon the distribution of its assets to the PDA;

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

As provided by Resolution No. 04-2006 of the PDA Board, the PDA Board wishes to authorize a capital contribution to OPA LLC to permit the payment of OPWC's final federal income tax liability created by the distribution of its assets to the PDA. The amount of such tax liability is: \$ 567,282.00, US Corporation Income Tax; \$ 1,176.40, federal withholding, Social Security and Medicare taxes; and \$ 350.17 Federal Unemployment Taxes. All payments shall be made directly to the United States Treasury by voucher submitted to the office of the Pacific County Treasurer by the President, Vice President, Treasurer and the PDA Board.

All Savings and Checking funds of OPWC shall then be distributed to the NBPDA. The Commercial Checking Account # 9004450 in the amount of \$ 44,613.26 and Business Savings Account # 9002038 in the amount of \$ 55,603.83 will be transferred to the NBPDA and closed. A Savings Certificate # 9251905 in the amount of \$ 1,000 currently earning at the rate of 7% will be transferred to the NBPDA with a maturity date of April 15, 2007.

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 [regular/special] meeting thereof held this 15th day of November, 2006.

NORTH BEACH PUBLIC DEVELOPMENT  
AUTHORITY, PACIFIC COUNTY, WASHINGTON



R D Williams; President, Board of Directors

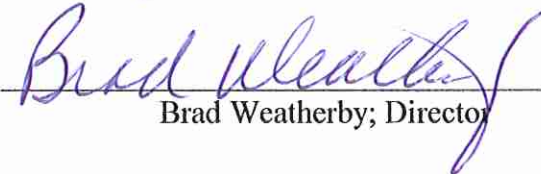


Ken Karch; Vice President, Board of Directors

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Tom Downer; Treasurer, Board of Directors



James Hagen; Director



Brad Weatherby; Director

Attest:



Celsa Johnson; Secretary to the Board of Directors