

RESOLUTION NO. 70-07

A RESOLUTION OF THE MASON COUNTY BOARD OF COMMISSIONERS APPROVING THE ACTION OF THE STATE OF WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY AND THE ISSUANCE OF NON-RECOURSE REVENUE BONDS TO FINANCE AN ECONOMIC DEVELOPMENT FACILITY FOR COEUR D'ALENE FIBER FUELS, INC. ("the COMPANY"), AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, on August 24, 2006, the Washington Economic Development Finance Authority ("WEDFA") had presented to it Resolution No. W-2006-015 (the "Resolution"), a copy of which is attached hereto as Exhibit A, relating to the issuance of non-recourse revenue bonds wherein the proceeds of which would be loaned to the Company for, *inter alia*, the construction and equipping of a new wood pellet manufacturing facility located in unincorporated Mason County (the "Project"), all as authorized by the Economic Development Finance Authority Act of 1989, R.C.W. Title 43, Chapter 163, as amended (the "Act"); and

WHEREAS, on August 24, 2006, WEDFA unanimously approved the Resolution; and

WHEREAS, it is the policy of the Washington Economic Development Finance Authority not to issue revenue bonds except upon the approval of the county, city or town within whose planning jurisdiction the proposed industrial development facility lies; and

WHEREAS, the Project lies within the boundaries of unincorporated Mason County, Washington;

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED as follows:

Section 1: The Mason County Board of Commissioners (the "Council"), pursuant to the request of the Washington Economic Development Finance Authority, does hereby approve the issuance of non-recourse revenue bonds (the "Bonds") by the Washington Economic Development Finance Authority, for the purposes provided in the Act.

Section 2: The Bonds shall be issued in the aggregate principal sum of not to exceed \$10,000,000 pursuant to a Resolution of WEDFA. The proceeds of the Bonds are to be lent to the Company, pursuant to a loan agreement or other appropriate financing agreement, and used for the purpose of, *inter alia*, constructing and equipping the Project, including the necessary appurtenances, located within the boundaries of unincorporated Mason County and to pay certain costs of issuance of the Bonds.

Section 3: The Bonds shall not constitute an obligation of the State of Washington or of Mason County, and no tax funds or revenues of the State of Washington or of Mason County shall be used to pay the principal or interest on the Bonds. Neither the faith and credit nor any taxing power of the State of Washington or of Mason County shall be pledged to pay the principal or interest on the Bonds.

Section 4: The Mason County Board of Commissioners hereby approves the issuance of Bonds by WEDFA for the purpose of financing the Project as described herein, a qualified project under the Act. However, such approval shall not waive any of the permitting requirements applicable to this project.

Section 5: This Resolution is intended to constitute approval of the issuance of revenue bonds within the meaning of the policy of the Washington Economic Development Finance Authority.

Section 6: Upon passage and approval of this Resolution, it shall take effect immediately.

Resolution No. 70-07

Washington Economic Development Finance Authority

DATED this 26th day of June, 2007.

AYES: _____

NOES: _____


ABSENT: _____

ABSTAINING: _____

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON

ATTEST:


Rebecca S. Rogers, Clerk of the Board


Lynda Ring Erickson, Chair

APPROVED AS TO FORM:


Deputy Prosecuting Attorney


Tim Sheldon, Commissioner


Ross Gallagher, Commissioner

C: WEDFA, 1000 Second Ave, Suite 2700, Seattle, WA 98104-1046