



**AGENDA FOR
PORT OF ILLAHEE COMMISSION
Wednesday, August 13TH - 6:30PM
ZOOM MEETING #715 0997 5823 / Password: Illahee**

1. CALL TO ORDER

2. CONSENT AGENDA

- a. *August 13, 2025, Agenda
- b. *July 9th, 2025, Regular meeting minutes
- c. *July 18th, 2025, Special Meeting minutes
- d. *July 28, 2025, Kitsap All Ports Meeting minutes
- e. Pay Bills with check numbers **5369** through **5378** totaling **\$331,044.98** * Pending Auditor Approval*

3. SIGNING OF DOCUMENTS

Determine when/how to have at least 2 Commissioners sign the documents

4. PUBLIC COMMENT opportunity

2-minute max, please note that Commissioners are encouraged to wait until the end of the meeting to respond to comments/statements

5. REPORTS/UNFINISHED BUSINESS

***a. Grants/Waterfront Access Improvements**

- ***Waterfront Project – status report**

b. Illahee Store Project – status

***c. Treasurer’s Report as of June 30, 2025**

- **General Fund: \$ 33,717.94**
- **Investments: \$ 304,751.39**
- **Bond: \$ 297,908.33**
- **Total: \$ 636,377.66**

***c. Treasurer’s Report as of July 31, 2025**

- **General Fund: \$ 225,456.30**
- **Investments: \$305,815.56**
- **Bond: \$11,093.05**
- **Total: \$ 542,364.91**



**AGENDA FOR
PORT OF ILLAHEE COMMISSION
Wednesday, August 13TH - 6:30PM
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d. Grant Status

- BFP RCO: Total = \$851,065.00, Amount of RCO paid: \$ 325,638.07
Remaining RCO Funds: **\$ 525,426.93**
- ALEA RCO: Total = \$500,000.00, Amount of RCO paid: \$ 168,482.92
Remaining RCO Funds: **\$ 331,517.08**
- RCFB RCO: Total = \$191,000.00, Amount of RCO paid: \$18,296.16
Remaining RCO Funds: **\$ 172,703.83**

e. Reports

- Website: Anything to report?
- Properties:
 - 5560 Ocean View Boulevard – status
 - 5500 Illahee Road- Demolished
 - 5507 Illahee Road/Illahee Store Property –status
 - Illahee Road Lot – pending offer- status
- Dock/Pier: Closed for construction
- Community Budget Committee meeting – need to schedule after August 12th

6. NEW BUSSINESS

*** 1. Municipal Bond – Oceanview**

2. Solar Lights on Flagpole

3. Trash Service

4. Administrator moving files to Illahee Store by End of August

7. PUBLIC COMMENT opportunity #2

2-minute max, please note that Commissioners are encouraged to wait until the end of the meeting to respond to comments/statements

8. COMMISSIONER OPPORTUNITY TO RESPOND TO PUBLIC COMMENTS/SUGGESTIONS

Commissioner Aho:

Commissioner Hall:

Commissioner Rupert:

ADJOURN - Regular Meeting – September 10, 2025, at 6:30 PM via Zoom
- All Ports Meeting-- October 27, 2025, at 6:30PM



Port of Illahee Minutes of Regular Meeting

July 9, 2025

Call to Order

The Regular Port of Illahee meeting was held virtually through the ZOOM app (meeting id# 71509975823 / Password: Illahee). Notice of the virtual meeting was posted near the kiosk at the head of the pier and on the Port's website – portofillahee.com. **Commission Chairman James Aho** called the meeting to order at 6:30 PM. Also, in attendance were **Commissioner Jeffrey Rupert; Commissioner Eric Hall;** Administrator Jennifer Olson; Roy Barton; Jon Buesch; Daryn Swisher and Cathy Johnson

- July 9, 2025, Meeting Agenda
- June 11, 2025, Regular meeting minutes
- July 4, 2025, Special Meeting minutes
- Payment of bills with check numbers **5360** through **5367** totaling **\$372,619.83** *Items approved pending auditor approval *(motion by Rupert; second by Hall; all in favor)*

Signing of Documents

Commissioners plan to stop by the Illahee Store to sign documents on Friday, June 13, 2025.

Public Comment

N/A

REPORTS/UNFINISHED BUSINESS -

Grants/Waterfront Access Improvements

Commissioner Aho reported that the waterfront project remains on schedule, with wall construction underway and substantial completion anticipated in August and September. Commissioners Rupert and Hall expressed satisfaction with the progress, noting that work has resumed following a brief pause in permit issues. Commissioner Aho confirmed that all required permits have been issued, and no projects are currently delayed.

Illahee Store Project

Commissioner Aho noted that PLIA has secured a contractor and plans to complete the work this summer, which may coincide with their other project. Commissioner Hall reported meeting with the Department of Ecology's Brownfield Division, where he received recommendations for potential funding sources to renovate the store following tank removal.

Commissioner Aho also reported signing a proposal to relocate a power pole and install underground power to the dock edge for approximately \$40,000, significantly less than the original \$100,000 estimate. This expense was approved as a contingency item. Commissioner Hall inquired about a tank that was discovered and removed; Commissioner Aho confirmed that Quig Brothers handled the removal at no additional cost, commending the contractor for managing contingencies without adding unnecessary charges.



Treasurer's Report as May 31, 2025.

Did Not receive numbers from county to balance for June

- General Fund: \$ 36,922.43
- Investments: \$ 303,716.03
- Bond: \$ 675,385.62
- Total: \$1,016,024.08

Grant Status

BFP RCO Total: \$851,065.00	Amount of RCO paid: \$325,638.07	Remaining RCO Funds: \$525,426.93
ALEA RCO Total: \$500,000.00	Amount of RCO paid: \$168,482.92	Remaining RCO Funds: \$ 331,517.08
RCFB RCO Total: \$191,000.00	Amount of RCO paid: \$ 18,296.16	Remaining RCO Funds: \$172,703.83

Website:

Commissioner Aho noted that a photo previously displayed on the website is no longer available. He stated that the image was hosted on the old Illahee Community website and is unsure why it was removed. Commissioner Hall indicated he could obtain the photo.

Properties

- **5560 Oceanview Blvd:** The Port has received an offer at 5560 Ocean View Blvd., but details cannot be disclosed until the sale closes. The property was listed by Frank Leach, and the offer is within the parameters set by the Budget Committee. **Discussion will continue under new business.**
- **5500 Illahee Road:** *The house was demolished in April 2025.*
- **5507 Illahee Road** *Commissioner Rupert confirmed that a certified letter was sent to the neighbor who constructed a fence on the south side of the Illahee Store property, providing a 90-day notice for it to be moved or removed. He also reported that the installation of the Port bulletin board has been completed, with assistance from his son. Illahee*
- **Lot 36 Illahee Road** – The property is currently listed on the MLS for \$75,000

Dock/Pier- Currently Closed for construction project.

New Business

Resolution 2025-03 Delegating Authority to Sell Surplus Property

The Port Commission discussed the sale of property located at 5560 Ocean View Boulevard in Bremerton. Commissioner Hall presented Resolution 2025-03, delegating authority to him to execute all necessary documents for the sale and declaring the property as surplus. The Commission voted to adopt the resolution, with Commissioner Rupert seconding the motion and expressing appreciation to Commissioner Hall for assuming the responsibility. Commissioner Aho noted the importance of completing the sale promptly due to ongoing waterfront and upland project expenses.

- **Commissioner Hall made a motion to adopt Resolution 2025-03 Delegation of Authority to sell surplus (motion by Hall; second by Rupert; all in favor)**

Renter Interested in Illahee Store

The Administrator reported receiving an inquiry from a potential tenant interested in renting the Illahee Store. She informed the individual about the Port meeting and encouraged them to address the Commissioners directly; however, they did not attend the Zoom meeting. The Administrator will follow up to determine if they remain interested.



Illahee Days

The meeting concludes with a decision to postpone any Illahee Days celebration until substantial completion of ongoing projects, potentially in September or October.

Adjourn-

At 8:00 PM, the meeting adjourned. **(Motion by Rupert; second by Hall; all in favor).**

The next regular meeting is scheduled for August 13, 2025, at 6:30 PM via Zoom.

Signatures

Commissioner James Aho

Commissioner Eric Hall

Commissioner Jeffrey Rupert

MINUTES OF PORT OF ILLAHEE SPECIAL MEETING ON July 18, 2025.

The Port of Illahee’s Special Meeting was held via Zoom.

Commissioner Aho called the meeting to order at 2:00 PM Also, in attendance were Commissioner Rupert, Commissioner Hall.

Commissioner Aho began the meeting by announcing the meeting would go into executive session for 15 Minutes.

Executive Session It was announced that the meeting would be going into executive session for 15 minutes **beginning at 2:01 PM.**

RCW 42.30.110(1)(b): To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would likely increase the price.

RCW 42.30.110(1)(c): To consider the minimum price at which real estate will be offered for sale or lease when public knowledge of such consideration would likely decrease the price. However, final action must be taken in an open session.

End At 2:16 PM - No decision was made.

Commissioner Aho asked if one of the Commissioners is going to make a motion to adjourn the meeting.

ADJOURN – The meeting adjourned at 2:16 PM (*motion by Rupert; second by; Hall; unanimous*).

Commissioner

Commissioner

Commissioner

KITSAP ALL PORTS

Purpose: Quarterly Meeting – Meeting Minutes
Meeting Date: Monday, July28th, 2025, 6:30PM
Location: Port of Brownsville
Next Meeting: Monday, October 27th, 6:30 PM

Invitees/Attendees (X)

NAME		PORT / ORG	EMAIL	CELLULAR
Travis Merrill	X	PORT OF ALLYN	tmerrill@portofallyn.com	
Judy Scott		PORT OF ALLYN	jscott@portofallyn.com	
John Sheridan		PRT OF ALLYN	jsheridan@portofallyn.com	
Michael Curtin		PORT OF ALLYN		
James Weaver (ED)	X	PORT OF BREMERTON	jamesw@portofbremerton.org	
Cary Bozeman		PORT OF BREMERTON	caryb@portofbremerton.org	
Gary Anderson		PORT OF BREMERTON	garya@portofbremerton.org	
Axel Strakeljahn		PORT OF BREMERTON	axels@portofbremerton.org	
Robyn Dally (ED)	X	PORT OF BROWNSVILLE	Robyn@PortofBrownsville.org	
Ken McEwan	X	PORT OF BROWNSVILLE	Ken@PortofBrownsville.org	
Kat Segerman		PORT OF BROWNSVILLE	Kat@portofbrownsville.org	
Dan Kieta		PORT OF BROWNSVILLE	dbKieta@hotmail.com	
Jim Aho	X	PORT OF ILLAHEE	illaheeporthree@gmail.com	
Jeff Rupert	X	PORT OF ILLAHEE	illaheeport2@gmail.com	
Eric Hall		PORT OF ILLHAEE	illaheeportone@gmail.com	
Jeff Henderson		PORT OF INDIANOLA	jhenderson@portofindianola.com	
Ellen Ross-Cardoso	X	PORT OF KEYPORT	ercportofkeyport@gmail.com	
Lena Hunt		PORT OF KEYPORT	lhuntportofkeyport@gmail.com	
Donald McCracken		PORT OF KEYPORT	don.portofkeyport@gmail.com	
Laura Gronnvoll		PORT OF KINGSTON	laurag@portofkingston.org	
Mary McClure		PORT OF KINGSTON	marymc@portofkingston.org	
Steve Heacock	X	PORT OF KINGSTON	stevh@portofkingston.org	
Greg Englin (ED)	X	PORT OF KINGSTON	Grege@portofkingston.org	
TJ Quandt		PORT OF KINGSTON	tjq@portofkingston.org	
James Strode	X	PORT OF MANCHESTER	strodecompany@hotmail.com	
Robert Ballard	X	PORT OF MANCHESTER	manchesterrealty@wavecable.com	
Paul Drotz	X	PORT OF MANCHESTER	No Email Address Listed	
Jay Lawrence	X	PORT OF POULSBO	commissioner.lawrence@portofpoulsbo.com	
Jamie Green		PORT OF POULSBO	commissioner.green@portofpoulsbo.com	
Jeff Pfeil		PORT OF POULSBO	commissioner.pfeil@portofpoulsbo.com	
Daryll Trask		PORT OF POULSBO	Harbormaster@portofpoulsbo.com	
Caleb Reese	X	PORT OF SILVERDALE	caleb.portofsilverdale@wavecable.com	
Ed Schofield	X	PORT OF SILVERDALE	ed.portofsilverdale@wavecable.com	
Rick Slate	X	PORT OF SILVERDALE	Rick.portofsilverdale@astound.net	
Brian Davison		PORT OF TRACYTON	tinmann77@comcast.net	
William Wright		PORT OF TRACYTON	billwright65@gmail.com	
Ken Griffin		PORT OF TRACYTON	catsnllamas@comcast.net	
Casey Guthrie		PORT OF WATERMAN	cguthrie@portofwaterman.com	
Jeff Reynolds		PORT OF WATERMAN	jreynolds@portofwaterman.com	
Jeff Acoba		PORT OF WATERMAN	jacoba@portofwaterman.com	
GUESTS:				
Carly Michiels	X	Wash Public Ports Association	cmichiels@washingtonports.org	
James Cockburn	X	Wash Public Ports Association	jcockburn@washingtonports.org	
Eric FFitch		Wash Public Ports Association	effitch@washingtonports.org	
Ariane Fernandez		WA STATE DEPT OF ECOLOGY	afer461@ecy.wa.gov	

MEETING MINUTES

James Cockburn filled us in on WPPA happenings, the Marina Committee will be having their last meeting of the year on August 20th, planning to discuss Legislative and policy matters for 2026.

Port Academy series, for staff and Commissioners to meet with a WPPA Port and learn how they do things, will be August 14th in Wenatchee, \$100 registration fee.

Small Ports October 23rd and 24th, Lake Chelan.

\$5million for small Port Rural infrastructure will be available through the CERB Program.

Carly Michiels WPPA Environmental Policy working on shore Power Energy supply, Power supply for your Port to remain competitive. Model Toxics Control Account-Legislature has been sweeping funds into the general fund, working on how to make more \$\$\$ accessible for Ports.

Rulemaking advisory groups, shoreline management plans putting together a Port group and adding sea level rise to the discussion -draft to come out in Spring of 2026.

Environmental seminar will be at Alderbrook on September 25-26, very nerdy seminar not for the faint of heart. Talking about dredging, Federal and State Regulations.

James Weaver presented information about Annexation by Petition, at this time all annexation by Ports has to be done by election. Fire boards and Cities are allowed to do this now, have to go through the boundary review board, Ports haven't been able to, hoping to get it added to 53.04 in 2026

KEYPORT

New Port Auditor is a CPA

Had survey done on damage to pilings, worse than they thought, how to get repaired, looking for person to do permitting.

SILVERDALE

Working on permits for tenant improvements.

Had existing parking lot lights changed over to LEDs

Bid Package out to get building removed, bids due August 1st.

Just had Whaling Days, Lines at all the food vendors seemed very busy.

ILLAHEE

\$ 2million construction project very tight fund wise, selling a house on Oceanview by the end of the month, one other property to sell. Had to condemn dock or replace it

Hoping to be a destination. 1-2 weeks out for driving pilings. Found a World War Two era fuel tank under old flagpole, Quigg Brothers removed for no upcharge.

PLIA has a contractor to remove underground storage tanks, should be removed this year.

No Illahee days this summer. Have to replace a bulkhead for \$150,000

MANCHESTER

Everything is going well, boat ramp seeing lots of use due to great crabbing season.

POULSBO

MEETING MINUTES

Valkyrie Viking ship arrived yesterday. Will be in Poulsbo all summer and back to drydock in Anacortes for the winter. Valkyrie is open to tours and rides while in Poulsbo.

Carol Tripp to retire, have a new Port Manager- James Weaver

BREMERTON

Permits in hand for new breakwater in Port Orchard- 4 years of work, \$500K in mitigation.

Bremerton Marina, prestressed pin on finger pier disengaged, unprotected by breakwater, had to remove pier and it is being rebuilt.

Port Orchard 10 parking spots next to Farmers market \$5/hour roll 75 cars through 10 spots in one day.

Downtown Port Orchard- 10 years of non-stop construction.

KINGSTON

Have permit for new restrooms, revision to move a few feet went through quickly, received bond from contractor, to start construction next Wednesday.

Intense boating with fishing and crabbing. Have made a list of Restaurants and food available in town with a QR Code link. Still at 100% for moorage.

1 voter to annex Port Gamble from Eglon, joint community meeting August 5th. Working to get more properties for parking. The new critical areas buffer has made many parcels unbuildable, possible to purchase at reduced prices.

New Parking program T2 more capacity and more patrolling.

Hired engineering firm for fire suppression system.

Steve Heacock doesn't do any permit work anywhere in Kingston.

Have a resolution to be own SEPA authority.

ALLYN

Water system- new policies for Infrastructure contractors and rights with developers.

Squaxin Nation Paddlers did a practice row from Arcadia in Shelton to Allyn boat ramp.

Oyster house July 4th received 26-day deadline to get interior done.

Pier in need of repair, have commerce money, working with a volunteer to do permitting with county for handrails.

Allyn days came and went, Port is partner, festival is dwindling community received \$72K from legislature to explore building a community center.

Had 2 maintenance managers in 3 months.

BROWNSVILLE

New deli ready to open , waiting on County inspection.

Allied Universal installing 9 cameras on Port Property, including one at boat ramp to get license plates to charge for ramp fee.

Replacing wooden railings.

HPA/JARPA/ARMY CORPs websites don't match after entering information.

MEETING MINUTES

Meeting ended at 8:00PM.

These minutes are provided to document the project record and represent my understanding of the items discussed. Please provide comments, corrections, or revisions at the next meeting. If no comments are received, the minutes will stand as published.

Prepared by:
Caleb Reese

Commissioner

Commissioner

Commissioner

END OF REPORT

PORT OF ILLAHEE - WATERFRONT IMPROVEMENTS

PROJECT DESCRIPTION

WHAT'S HAPPENING?

After many years of planning & public outreach the Port of Illahee is constructing the long-awaited improvements to the Illahee Dock and upland public access. This approx. \$2M public access project has been funded by three separate State water access grants, Port funds, and private donations.

UPLAND IMPROVEMENTS

The existing port owned upland property and entrance roadway will be completely renovated to provide significantly improved parking, waterfront access, restroom, and landscaped public areas.

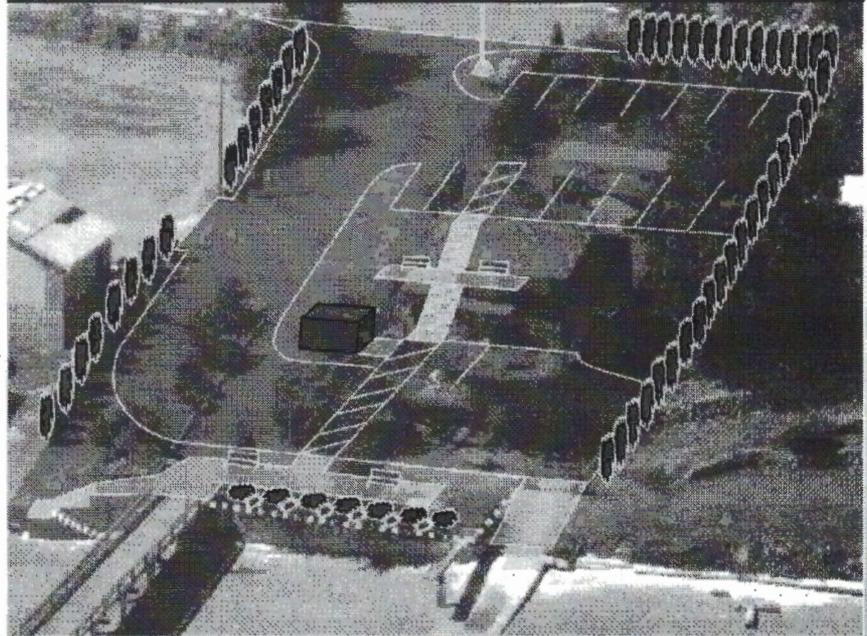
PIER REPAIRS

The historic Illahee Pier requires significant repairs for safety and durability including replacement of approximately 20 support pilings.

NEW FLOATS & MOORAGE

The existing floats at the end of the Illahee Pier have reached the end of their useful life and will be replaced with a significantly improved new float and gangway system providing both motorized boat moorage and recreational floats for non-motorized craft and fishing.

Improved Waterfront Access & Parking Facilities



Improved Dock Facilities with Repairs to Existing Pier



New Floating Docks & Gangway

AUGUST 2025

PORT OF ILLAHEE - WATERFRONT IMPROVEMENTS

CONSTRUCTION UPDATE

PUBLIC NOTICE:

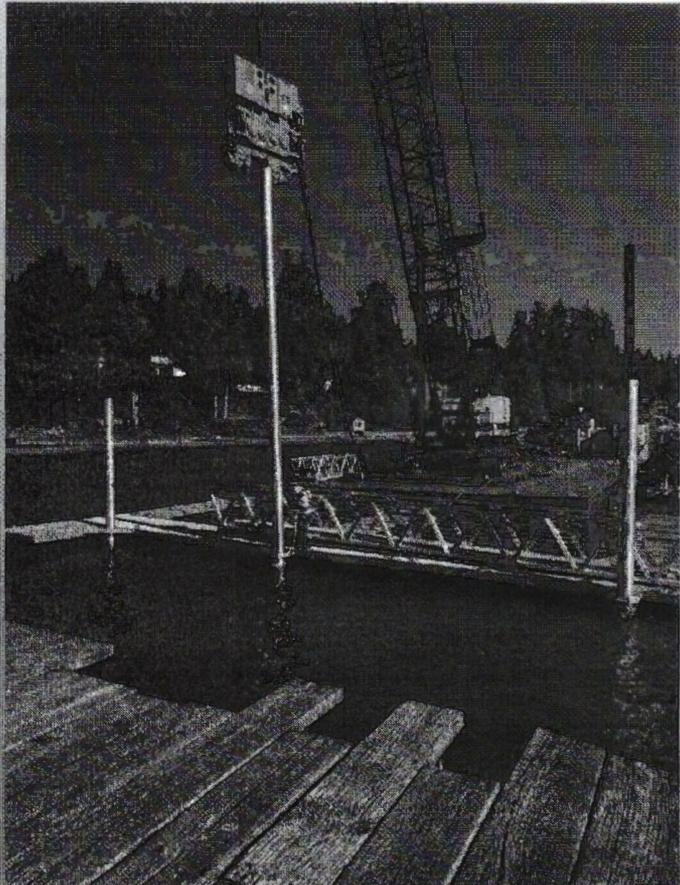
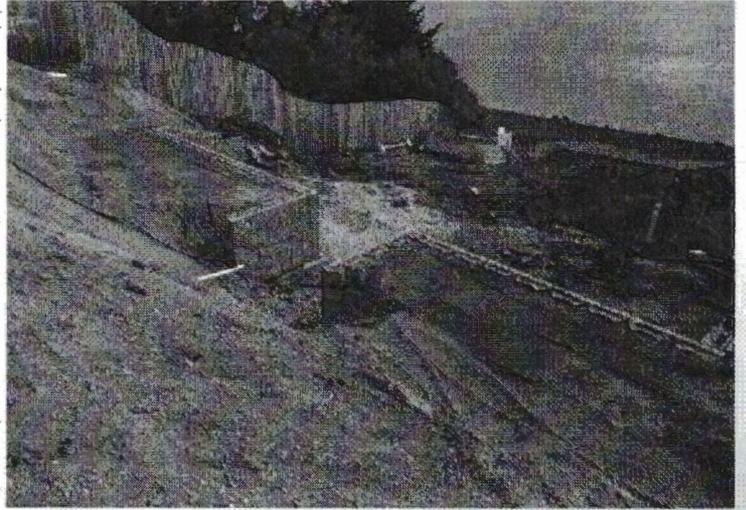
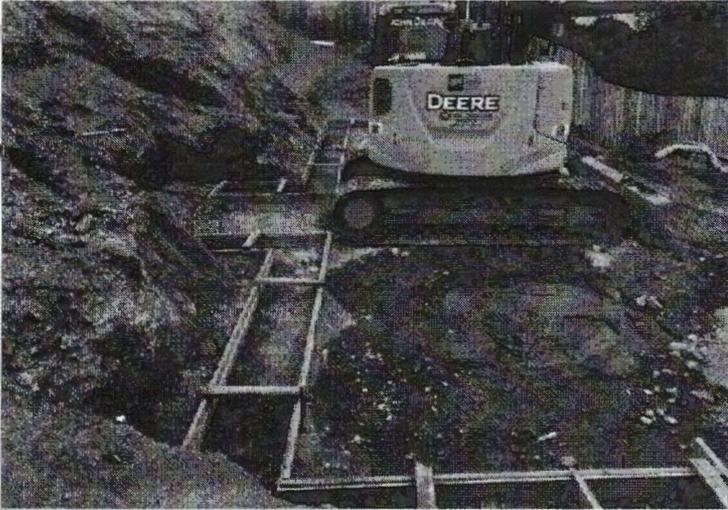
All public access to the Illahee Dock, BEACH and moorage floats is currently closed until project completion.

ANTICIPATED CONSTRUCTION MILESTONES	STATUS UPDATE
AWARD A CONSTRUCTION CONTRACT TO QUIGG BROS. INC	☑ COMPLETE JANUARY 2025
CLOSE ALL PUBLIC ACCESS & CONSTRUCTION MOBILIZATION	☑ COMPLETE APRIL 2025
DEMOLITION OF BUILDINGS & UPLAND CLEARING	☑ COMPLETE MAY 2025
UPLAND UNDERGROUND UTILITY IMPROVEMENTS	CURRENTLY IN PROGRESS
UPLAND GRADING & RETAINING WALLS	CURRENTLY IN PROGRESS
UPLAND SIDEWALKS & CONCRETE	ANTICIPATED AUGUST - OCTOBER 2025
DEMOLITION OF EXISTING FLOATS & GANGWAYS	☑ COMPLETE AUGUST 2025
PIER REPAIRS AND PILING REPLACEMENT	CURRENTLY IN PROGRESS
INSTALLATION OF NEW FLOATS AND GANGWAYS	CURRENTLY IN PROGRESS
INSTALLATION OF NEW VAULT RESTROOM	ANTICIPATED SEPT. - OCTOBER 2025
ASPHALT PAVING, PARKING, & STAGING AREAS	ANTICIPATED FALL 2025
UPLAND LANDSCAPING & MISC. FINAL IMPROVEMENTS.	ANTICIPATED FALL 2025
PROJECT COMPLETION & OPENING TO PUBLIC USE	ANTICIPATED NOVEMBER 2025

AUGUST 2025

PORT OF ILLAHEE - WATERFRONT IMPROVEMENTS

RECENT PHOTOS



The Port of Illahee

88712 - GENERAL FUND, Period Ending 06/30/2025

RECONCILIATION REPORT

Reconciled on: 08/10/2025

Reconciled by:

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance	36,922.43
Checks and payments cleared (14)	-413,478.28
Deposits and other credits cleared (4)	410,273.79
Statement ending balance	33,717.94

Register balance as of 06/30/2025	33,717.94
Cleared transactions after 06/30/2025	0.00
Uncleared transactions after 06/30/2025	191,449.69
Register balance as of 08/10/2025	225,167.63

Details

Checks and payments cleared (14)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/02/2025	Journal	3		-16,328.40
06/02/2025	Journal			-5,000.00
06/02/2025	Journal	2025		-1,700.40
06/02/2025	Journal	2		-11,000.00
06/11/2025	Check	5358	SOUNDWEST ENGINEERIN...	-22,751.25
06/11/2025	Check	5359	WASTE MANAGEMENT	-83.39
06/11/2025	Check	5348	ERIC L. Hall	-256.00
06/11/2025	Check	5349	JAMES AHO	-256.00
06/11/2025	Check	5350	JEFFREY S. RUPERT	-256.00
06/11/2025	Check	5354	BANK OF AMERICA	-73.23
06/11/2025	Check	5355	NORTH PERRY AVENUE WA...	-185.27
06/11/2025	Check	5356	JJAM INNOVATIONS, LLC	-1,741.22
06/11/2025	Check	5357	QUIGG BROS., INC.	-352,811.76
06/30/2025	Transfer			-1,035.36
Total				-413,478.28

Deposits and other credits cleared (4)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/02/2025	Deposit			34,028.80
06/09/2025	Deposit			375,000.00
06/30/2025	Deposit			209.63
06/30/2025	Deposit			1,035.36
Total				410,273.79

Additional Information

Uncleared checks and payments after 06/30/2025

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/09/2025	Check	5362	JEFFREY S. RUPERT	-384.00
07/09/2025	Check	5360	ERIC L. Hall	-384.00
07/09/2025	Check	5361	JAMES AHO	-384.00
07/09/2025	Check	5367	SOUNDWEST ENGINEERIN...	-25,689.75
07/09/2025	Check	5366	QUIGG BROS., INC.	-341,235.62
07/09/2025	Check	5364	BANK OF AMERICA	-84.35
07/09/2025	Check	5365	JJAM INNOVATIONS, LLC	-2,083.11
07/09/2025	Check	5363	Agustin Rubalcava	-2,375.00

Beginning Balance Date 1/1/2025

28.80

Treasurer's Summary Report

For 2025 - Jun

Fund: FD00712 Port/Illahee General

Cash						
Beginning Cash Balance						753,129.22
1182:Investments		-5,043.46	0.00	1,035.36	-1,035.36	-6,078.82
Purchased						
3100:Taxes	3110.10 - Real and Personal Property Taxes	53,245.80	228.55	18.92	209.63	53,455.43
3100:Taxes	3170.20 - Leasehold Excise Tax	25.51	0.00	0.00	0.00	25.51
3600:Miscellaneous Revenues	3610.11 - Investment Interest	5,043.46	1,035.36	0.00	1,035.36	6,078.82
3800:Other Increases in Fund Resources	3890.40 - Custodial Type Deposits	18,994.35	0.00	0.00	0.00	18,994.35
4900:Transfers In	4970.88713 - Transfers In	0.00	375,000.00	0.00	375,000.00	375,000.00
5890:Custodial Activities	5890.40 - SPD Warrants Issued	-88,472.45	0.00	378,414.12	-378,414.12	-466,886.57
6900:Transfers Out	6971.88713 - Transfers Out	-700,000.00	0.00	0.00	0.00	-700,000.00
Total Cash		-716,206.79	376,263.91	379,468.40	-3,204.49	33,717.94

The Port of Illahee

INVESTMENT POOL, Period Ending 06/30/2025

RECONCILIATION REPORT

Reconciled on: 08/10/2025

Reconciled by:

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	303,716.03
Checks and payments cleared (0).....	0.00
Deposits and other credits cleared (1).....	1,035.36
Statement ending balance.....	<u>304,751.39</u>
Register balance as of 06/30/2025.....	304,751.39

Details

Deposits and other credits cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/30/2025	Transfer			1,035.36
Total				1,035.36

TREAS RPT - Summary Cash Report - Investments & Debt Service

Beginning Balance Date 1/1/2025

Treasurer's Summary Report

For 2025 - Jun

Fund: FD00712 Port/Iliahee General

	Beginning Balance	Debit	Credit	Month-to-Date	Year-to-Date
Investments					
Beginning Investment Balance					298,672.57
1182:Investments Purchased	5,043.46	1,035.36	0.00	1,035.36	6,078.82
Total Investments	5,043.46	1,035.36	0.00	1,035.36	304,751.39

Debt Service

The Port of Illahee

88712 - GENERAL FUND, Period Ending 07/31/2025

RECONCILIATION REPORT

Reconciled on: 08/10/2025

Reconciled by:

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	33,717.94
Checks and payments cleared (9).....	-373,684.00
Deposits and other credits cleared (4).....	565,422.36
Statement ending balance.....	<u>225,456.30</u>
Register balance as of 07/31/2025.....	<u>225,456.30</u>

Details

Checks and payments cleared (9)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/09/2025	Check	5366	QUIGG BROS., INC.	-341,235.62
07/09/2025	Check	5360	ERIC L. Hall	-384.00
07/09/2025	Check	5361	JAMES AHO	-384.00
07/09/2025	Check	5362	JEFFREY S. RUPERT	-384.00
07/09/2025	Check	5364	BANK OF AMERICA	-84.35
07/09/2025	Check	5365	JJAM INNOVATIONS, LLC	-2,083.11
07/09/2025	Check	5363	Agustin Rubalcava	-2,375.00
07/09/2025	Check	5367	SOUNDWEST ENGINEERIN...	-25,689.75
07/31/2025	Transfer			-1,064.17

Total -373,684.00

Deposits and other credits cleared (4)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/08/2025	Deposit			291,000.00
07/09/2025	Deposit			273,069.52
07/31/2025	Deposit			288.67
07/31/2025	Deposit			1,064.17

Total 565,422.36

Beginning Balance Date 1/1/2025

Treasurer's Summary Report

For 2025 - Jul

Fund: FD00712 Port/Illahee General

		Beginning Balance	Change	Current Balance	Change	Year-to-Date
Cash						
Beginning Cash Balance						753,129.22
1182:Investments		-6,078.82	0.00	1,064.17	-1,064.17	-7,142.99
Purchased						
3100:Taxes	3110.10 - Real and Personal Property Taxes	53,455.43	314.20	25.53	288.67	53,744.10
3100:Taxes	3170.20 - Leasehold Excise Tax	25.51	0.00	0.00	0.00	25.51
3600:Miscellaneous Revenues	3610.11 - Investment Interest	6,078.82	1,064.17	0.00	1,064.17	7,142.99
3800:Other Increases in Fund Resources	3890.40 - Custodial Type Deposits	18,994.35	273,069.52	0.00	273,069.52	292,063.87
4900:Transfers In	4970.88713 - Transfers In	375,000.00	291,000.00	0.00	291,000.00	666,000.00
5890:Custodial Activities	5890.40 - SPD Warrants Issued	-466,886.57	0.00	372,619.83	-372,619.83	-839,506.40
6900:Transfers Out	6971.88713 - Transfers Out	-700,000.00	0.00	0.00	0.00	-700,000.00
Total Cash		-719,411.28	565,447.89	373,709.53	191,738.36	225,456.30

The Port of Illahee

INVESTMENT POOL, Period Ending 07/31/2025

RECONCILIATION REPORT

Reconciled on: 08/10/2025

Reconciled by:

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance	304,751.39
Checks and payments cleared (0)	0.00
Deposits and other credits cleared (1)	1,064.17
Statement ending balance	<u>305,815.56</u>
Register balance as of 07/31/2025	305,815.56

Details

Deposits and other credits cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/31/2025	Transfer			1,064.17
Total				1,064.17

Beginning Balance Date 1/1/2025

Treasurer's Summary Report
For 2025 - Jul
Fund: FD00712 Port/Illahee General

Investments					
Beginning Investment Balance					298,672.57
1182:Investments Purchased	6,078.82	1,064.17	0.00	1,064.17	7,142.99
Total Investments	6,078.82	1,064.17	0.00	1,064.17	305,815.56

Debt Service

UNITED STATES OF AMERICA

NO. R-1

\$159,442.33

STATE OF WASHINGTON

PORT OF ILLAHEE, KITSAP COUNTY
LIMITED TAX GENERAL OBLIGATION BOND, 2019

INTEREST RATES AND
PAYMENT SCHEDULE: As shown on the attached amortization schedule

REGISTERED OWNER: KITSAP BANK
619 BAY STREET, P.O. BOX 9
PORT ORCHARD, WA 98366

TAX IDENTIFICATION #: 91-0283150

PRINCIPAL AMOUNT: ONE HUNDRED FIFTY-NINE THOUSAND FOUR HUNDRED FORTY-
TWO AND 33/100 DOLLARS (\$159,442.33)

The Port of Illahee, Kitsap County, Washington, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (herein called the "Port"), hereby acknowledges itself to owe and for value received, promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount. This bond shall bear interest on unpaid principal from its date or the most recent date to which interest has been paid at the Interest Rate specified above, and shall be repayable semiannually installments of principal and interest commencing on June 1, 2020, and on each December 1 and June 1 thereafter as shown on the attached amortization schedule, with final payment of all outstanding principal and interest thereon at final maturity of this bond on December 1, 2034. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Installments of the principal of and interest on this bond shall be paid by check or draft of the fiscal agent of the State of Washington (the "Bond Registrar") mailed on the date such interest is due or by electronic funds transfer made on the date such interest is due to the registered owner or nominee at the address appearing on the Bond Register. Upon final payment of all installments of principal and interest thereon, this bond shall be submitted to the Bond Registrar for cancellation and surrender.

This bond is issued pursuant to Resolution No. 2019-06 of the Port (the "Bond Resolution") to refinance the costs of acquiring real property and to pay costs of issuance. Capitalized terms appearing on this bond and not otherwise defined herein shall have the meanings given such terms in the Bond Resolution.

The Port reserves the right to prepay principal of this bond in advance of the scheduled maturity set forth above, in whole or in part, at any time, with no prepayment penalty. The Port will notify the Bond Registrar, the Treasurer, and the Registered Owner at least 15 days in advance of its intent to prepay.

This bond may be transferred only in whole to a financial institution and only if endorsed in the manner provided in the Bond Resolution and surrendered to the Bond Registrar. The Registered Owner will not transfer this bond to a subsequent investor unless the Registered Owner causes such investor to receive such information regarding the Port and this bond as is necessary to comply with applicable securities laws.

This bond is not a "private activity bond" as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). This bond has been designated by the Port as a "qualified tax exempt obligation" under Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

The Port hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the Port within the levy limits permitted to the Port without a vote of the electors and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to maturity of this bond by making provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions duly adopted by the Port Commission including the Bond Resolution.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the Port may incur.

IN WITNESS WHEREOF, the Port of Illahee, Kitsap County, Washington, has caused this bond to be executed by the manual or facsimile signature of the President of the Port Commission as of the 19th day of December, 2019.

PORT OF ILLAHEE, KITSAP COUNTY,
WASHINGTON

By  _____
President, Port Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication: December 19, 2019

This bond is the bond described in the within-mentioned Bond Resolution and is the Limited Tax General Obligation Bond, 2019, of the Port of Illahee, Kitsap County, Washington, dated December 19, 2019.

FISCAL AGENT OF THE STATE OF
WASHINGTON, as Bond Registrar

By  _____
Authorized Signer

**PORT OF ILLAHEE, KITSAP COUNTY
LIMITED TAX GENERAL OBLIGATION BOND, 2019**

AMORTIZATION SCHEDULE

Port of Illahee
Debt Service Schedule

<u>Date</u>	<u>Principal Payment</u>	<u>Interest</u> <u>Rate</u>	<u>Ending Balance</u>	<u>Interest Due</u>	<u>Cash Flow</u>
12/19/2019	159,442.33		\$ 159,442.33		\$ 159,442.33
06/01/2020	5,000.00	2.43%	154,442.33	1,997.41	(6,997.41)
12/01/2020	4,000.00	2.43%	150,442.33	2,226.10	(6,226.10)
06/01/2021	4,000.00	2.44%	146,442.33	2,177.50	(6,177.50)
12/01/2021	4,000.00	2.44%	142,442.33	2,128.70	(6,128.70)
06/01/2022	5,000.00	2.47%	137,442.33	2,079.90	(7,079.90)
12/01/2022	5,000.00	2.47%	132,442.33	2,018.15	(7,018.15)
06/01/2023	5,000.00	2.52%	127,442.33	1,956.40	(6,956.40)
12/01/2023	5,000.00	2.52%	122,442.33	1,893.40	(6,893.40)
06/01/2024	5,000.00	2.60%	117,442.33	1,830.40	(6,830.40)
12/01/2024	5,000.00	2.60%	112,442.33	1,765.40	(6,765.40)
06/01/2025	5,000.00	2.66%	107,442.33	1,700.40	(6,700.40)
12/01/2025	5,000.00	2.66%	102,442.33	1,633.90	(6,633.90)
06/01/2026	5,000.00	2.75%	97,442.33	1,567.40	(6,567.40)
12/01/2026	5,000.00	2.75%	92,442.33	1,498.65	(6,498.65)
06/01/2027	5,000.00	2.84%	87,442.33	1,429.90	(6,429.90)
12/01/2027	5,000.00	2.84%	82,442.33	1,358.90	(6,358.90)
06/01/2028	5,000.00	2.92%	77,442.33	1,287.90	(6,287.90)
12/01/2028	5,000.00	2.92%	72,442.33	1,214.90	(6,214.90)
06/01/2029	6,000.00	3.00%	66,442.33	1,141.90	(7,141.90)
12/01/2029	6,000.00	3.00%	60,442.33	1,051.90	(7,051.90)
06/01/2030	6,000.00	3.07%	54,442.33	961.90	(6,961.90)
12/01/2030	6,000.00	3.07%	48,442.33	869.80	(6,869.80)
06/01/2031	6,000.00	3.12%	42,442.33	777.70	(6,777.70)
12/01/2031	6,000.00	3.12%	36,442.33	684.10	(6,684.10)
06/01/2032	6,000.00	3.18%	30,442.33	590.50	(6,590.50)
12/01/2032	6,000.00	3.18%	24,442.33	495.10	(6,495.10)
06/01/2033	6,000.00	3.24%	18,442.33	399.70	(6,399.70)
12/01/2033	6,000.00	3.24%	12,442.33	302.50	(6,302.50)
06/01/2034	6,000.00	3.30%	6,442.33	205.30	(6,205.30)
12/01/2034	6,442.33	3.30%	(0.00)	106.30	(6,548.63)

December 19, 2019

Port of Illahee
Kitsap County, Washington

Kitsap Bank
Port Orchard, Washington

Re: Port of Illahee, Kitsap County, Washington
Limited Tax General Obligation Bond, 2019 — \$159,442.33

Ladies and Gentlemen:

We have acted as bond counsel to the Port of Illahee, Kitsap County, Washington (the "Port") and have examined a certified transcript of the proceedings taken in the matter of the issuance by the Port of its Limited Tax General Obligation Bond, 2019, in the principal amount of \$159,442.33 (the "Bond"), issued pursuant to Resolution No. 2019-06 of the Port (the "Bond Resolution") for the purpose of refinancing the costs of acquiring real property and paying costs of issuance of the Bond. Capitalized terms used in this opinion which are not otherwise defined shall have the meanings given to such terms in the Bond Resolution.

The Bond is subject to prepayment as provided therein and in the Bond Resolution.

Regarding questions of fact material to our opinion, we have relied on representations of the Port in the Bond Resolution and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bond has been legally issued and constitutes a valid and binding general obligation of the Port, except to the extent that the enforcement of the rights and remedies of the holders and owners of the Bond may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion.

2. The Bond Resolution is a legal, valid and binding obligation of the Port, has been duly authorized, executed and delivered and is enforceable in accordance with its terms, except to the extent that enforcement may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion.

3. Both principal of and interest on the Bond are payable out of annual levies of ad valorem taxes to be made upon all of the taxable property within the Port within and as a part of the tax levy permitted to the Port without a vote of the electors and in amounts which, together with other available funds, will be sufficient to pay such principal and interest as the same shall become due.

4. Interest on the Bond is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinion set forth in the preceding sentence is subject to the condition that the Port comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bond in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Port has covenanted to comply with all applicable requirements. Failure to comply with certain of such covenants may cause interest on the Bond to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bond.

The Port has designated the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Bond. Any owner of the Bond should consult its tax advisor regarding the applicability of any collateral tax consequences of owning the Bond, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

K&L GATES LLP

K & L Gates LLP

**PORT OF ILLAHEE
KITSAP COUNTY, WASHINGTON**

LIMITED TAX GENERAL OBLIGATION BOND, 2019

RESOLUTION NO. 2019-06

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF ILLAHEE, KITSAP COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A BOND TO EVIDENCE A LOAN IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$160,000; PROVIDING THE DATE, FORM, TERMS AND MATURITY OF THE BOND; AND APPROVING THE SALE OF SUCH BOND.

ADOPTED ON DECEMBER 11, 2019

PREPARED BY:

K&L GATES LLP
Seattle, Washington

TABLE OF CONTENTS*

	<u>Page</u>
Section 1. Definitions.....	1
Section 2. Authorization of the Bond	3
Section 3. Registration, Payments and Transfer	4
Section 4. Prepayment	4
Section 5. Sale of the Bond and Authorization to Port Officials	5
Section 6. Closing Procedures	5
Section 7. Form of Bond.....	5
Section 8. Execution of Bond	7
Section 9. Tax Covenants	8
Section 10. Bond Fund and Provision for Tax Levy Payments	8
Section 11. No Undertaking to Provide Ongoing Disclosure and Information to Bank.....	9
Section 12. Lost, Stolen or Destroyed Bond	9
Section 13. Amendment to Resolution No. 2019-03	9
Section 14. Severability	9
Section 15. Effective Date	10

Exhibit A – Purchase Offer

* This Table of Contents is provided for convenience only and is not a part of this resolution.

RESOLUTION NO. 2019-06

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF ILLAHEE, KITSAP COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A BOND TO EVIDENCE A LOAN IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$160,000; PROVIDING THE DATE, FORM, TERMS AND MATURITY OF THE BOND; AND APPROVING THE SALE OF SUCH BOND.

WHEREAS, the Port of Illahee, Kitsap County, Washington (the "Port"), a municipal corporation of the State of Washington, owns and operates a public facilities; and

WHEREAS, the Port is authorized by RCW 53.36.030 and Ch. 39.46 RCW to borrow money and issue general obligation bonds payable, *inter alia*, from regular tax levies of the Port; and

WHEREAS, the Port has an outstanding loan with Kitsap Bank (the "Bank") that financed the property at 5560 Ocean View originally used as a meeting space for the Port and currently maintained for short term rentals pending completion of the Port's Comprehensive Plan; and

WHEREAS, the Bank, in an offer dated December 6, 2019 (the "Purchase Offer"), has offered to refinance the 2009 loan in order to reduce interest costs to the Port; and

WHEREAS, the Purchase Offer is incorporated herein and is attached as Exhibit A, and the Commission wishes to accept such offer on the terms and conditions set forth therein and herein;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF ILLAHEE, KITSAP COUNTY, WASHINGTON, as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings, unless a different meaning clearly appears from the context.

Bank means Kitsap Bank, Port Orchard, Washington.

Bond means the Port of Illahee, Kitsap County, Washington, Limited Tax General Obligation Bond, 2019, issued pursuant to this resolution.

Bond Fund means the Port of Illahee Bond Redemption Fund, 2019, created in the office of the Treasurer of the Port pursuant to Section 10 of this resolution.

Bond Register means the books or records maintained by the Bond Registrar containing the name and mailing address of the owner of the Bond or nominee of such owner and the principal amount outstanding.

Bond Registrar means U.S. Bank National Association, the fiscal agent of the State of Washington, whose duties include registering and authenticating the Bond, maintaining the Bond Register, transferring ownership of the Bond, and paying the principal of and interest on the Bond. The term **Bond Registrar** also shall include any successor Bond Registrar appointed by the Treasurer as permitted by law.

Closing means the date of issuance and delivery of the Bond to the Bank.

Code means the federal Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

Commission means the Port Commission, as general legislative authority of the Port as the same shall be duly and regularly constituted from time to time.

Designated Port Representative means the President of the Port Commission or such other persons as may be appointed by such persons in writing delivered to the Bank and the Bond Registrar.

Interest Rate means the fixed rate per annum on the Bond which shall be established, on the date hereof, based on the Bloomberg Bank Qualified GO Bond 'A' Rated Fair Value curve plus a spread of 100 basis points (1.00%) to the average maturity of the Bond.

Port means the Port of Illahee, Kitsap County, Washington, a political subdivision duly organized and existing under and by virtue of the laws of the State of Washington.

Purchase Offer means the Bank's commitment letter to purchase the Bond, dated December 6, 2019, attached hereto as Exhibit A.

Treasurer means the Treasurer of Kitsap County, as *ex officio* Treasurer of the Port, or any successor to the functions of such Treasurer.

Rules of Interpretation. In this resolution, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect;

(e) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Authorization of Bond. For the purpose of refinancing an existing loan with the Bank, the Port shall issue its limited tax general obligation bond in the principal amount of not to exceed \$160,000 (the "Bond"). The Bond shall be designated as the "Port of Illahee, Kitsap County, Washington Limited Tax General Obligation Bond, 2019," shall be dated as of the date of its original issuance, shall be issued as a single instrument, fully registered form in

the denomination of not to exceed \$160,000. The Bond shall bear interest on unpaid principal at the Interest Rate. Interest shall be calculated on the basis of a year of 360 days and 12 months of 30 days. The Bond shall be repayable in semiannual installments of principal and interest on each June 1 and December 1, with the final payment of all principal and interest due on December 1, 2034. The Bank shall provide an amortization schedule of principal and interest which shall be attached to and included with the Bond.

Section 3. Registration, Payments and Transfer. At the request of the Treasurer, the fiscal agent of the State of Washington shall act as the Bond Registrar. The duties of the Bond Registrar hereunder shall be limited to authenticating the Bond and to remitting money to the Bank on the payment dates as provided therein. The Bond Registrar is authorized, on behalf of the Port, to authenticate and deliver the Bond and to carry out all of Bond Registrar's powers and duties under this resolution.

Principal of and interest on the Bond shall be payable in lawful money of the United States of America. Installments of principal of and interest on the Bond shall be paid by check, wire, or electronic transfer on the date due to the Bond; *provided, however*, the final installment of principal on the Bond shall be payable only upon presentation and surrender of the Bond by the Bank to the Bond Registrar.

The Bond shall not be transferable, except in whole to a financial institution and only if endorsed in the manner provided therein and surrendered to the Bond Registrar. The Bank will not transfer the Bond to a subsequent investor unless the Bond causes such investor to receive such information regarding the Port and the Bond as is necessary to comply with applicable securities laws.

Section 4. Prepayment. The Port reserves the right to prepay principal of the Bond in advance of the scheduled payments, in whole or in part, at any time, with no prepayment penalty. The Port will notify the Bond Registrar, the Treasurer, and the Bank at least 15 days in

advance of its intent to prepay. Prepayments shall be applied first to interest and then to principal.

Section 5. Sale of the Bond and Authorization to Port Officials. The Port hereby ratifies and confirms its acceptance of the Purchase Offer attached as Exhibit A, to purchase the Bond on the terms specified therein and in this resolution. The proper officials of the Port are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Bond and the items required to be delivered to the Bank under the terms of the Purchase Offer and for proper use and application of the proceeds of sale thereof. In accordance with the Purchase Offer, the Port will pay the Bank a loan fee of \$750.00, payable on the date of issuance of the Bond.

Section 6. Closing Procedures. The closing and delivery of the Bond may be scheduled for any date following the adoption of this resolution. The executed and authenticated Bond shall be delivered to the Bank, and the Bank shall cancel and surrender the prior loan documentation with respect to the 5560 Ocean View financing documents.

Section 7. Form of Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1

\$160,000

STATE OF WASHINGTON

PORT OF ILLAHEE, KITSAP COUNTY
LIMITED TAX GENERAL OBLIGATION BOND, 2019

INTEREST RATES AND
PAYMENT SCHEDULE:

As shown on the attached amortization schedule

REGISTERED OWNER:

KITSAP BANK
619 BAY STREET, P.O. BOX 9
PORT ORCHARD, WA 98366

TAX IDENTIFICATION #:

91-0283150

PRINCIPAL AMOUNT:

ONE HUNDRED SIXTY THOUSAND AND 00/100 (\$160,000)

The Port of Illahee, Kitsap County, Washington, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (herein called the "Port"), hereby acknowledges itself to owe and for value received, promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount. This bond shall bear interest on unpaid principal from its date or the most recent date to which interest has been paid at the Interest Rate specified above, and shall be repayable semiannually installments of principal and interest commencing on _____, and on each June 1 and December 1 thereafter as shown on the attached amortization schedule, with final payment of all outstanding principal and interest thereon at final maturity of this bond on December 1, 20___. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Installments of the principal of and interest on this bond shall be paid by check or draft of the fiscal agent of the State of Washington (the "Bond Registrar") mailed on the date such interest is due or by electronic funds transfer made on the date such interest is due to the registered owner or nominee at the address appearing on the Bond Register. Upon final payment of all installments of principal and interest thereon, this bond shall be submitted to the Bond Registrar for cancellation and surrender.

This bond is issued pursuant to Resolution No. 2019-06 of the Port (the "Bond Resolution") to refinance the costs of acquiring real property. Capitalized terms appearing on this bond and not otherwise defined herein shall have the meanings given such terms in the Bond Resolution.

The Port reserves the right to prepay principal of this bond in advance of the scheduled maturity set forth above, in whole or in part, at any time, with no prepayment penalty. The Port will notify the Bond Registrar, the Treasurer, and the Registered Owner at least 15 days in advance of its intent to prepay.

This bond may be transferred only in whole to a financial institution and only if endorsed in the manner provided in the Bond Resolution and surrendered to the Bond Registrar. The Registered Owner will not transfer this bond to a subsequent investor unless the Registered Owner causes such investor to receive such information regarding the Port and this bond as is necessary to comply with applicable securities laws.

This bond is not a "private activity bond" as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). This bond has been designated by the Port as a "qualified tax exempt obligation" under Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

The Port hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the Port within the levy limits permitted to the Port without a vote of the electors and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to maturity of this bond by making provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions duly adopted by the Port Commission including the Bond Resolution.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the Port may incur.

IN WITNESS WHEREOF, the Port of Illahee, Kitsap County, Washington, has caused this bond to be executed by the manual or facsimile signature of the President of the Port Commission as of the ____ day of December, 2019.

PORT OF ILLAHEE, KITSAP COUNTY,
WASHINGTON

By _____
/s/ manual or facsimile
President, Port Commission

The Bond Registrar's Certificate of Authentication on the Bond shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: December ____, 2019

This bond is the bond described in the within-mentioned Bond Resolution and is the Limited Tax General Obligation Bond, 2019, of the Port of Illahee, Kitsap County, Washington, dated December ____, 2019.

FISCAL AGENT OF THE STATE OF
WASHINGTON, as Bond Registrar

By _____
Authorized Signer

Section 8. Execution of Bond. The Bond shall be executed on behalf of the Port with the manual or facsimile signature of the President of its Commission.

The Bond shall be valid only if the Certificate of Authentication in the form hereinbefore recited has been manually executed by or on behalf of the Bond Registrar. Such Certificate of

Authentication shall be conclusive evidence that the Bond as authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this resolution.

In case either of the officers of the Port who shall have executed the Bond shall cease to be such officer or officers of the Port before the Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the Port, such Bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the Port as though those who signed the same had continued to be such officers of the Port. The Bond also may be signed and attested on behalf of the Port by such persons as at the actual date of execution of such Bond shall be the proper officers of the Port although at the original date of such Bond any such person shall not have been such officer.

Section 9. Tax Covenants.

(a) *Arbitrage Covenant.* The Port covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bond and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exclusion from gross income for federal income tax purposes of the interest on the Bond.

(b) *Designation under Section 265(b).* The Port hereby designates the Bond as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions. The Port does not anticipate that it will issue more than \$10,000,000 in qualified tax-exempt obligations during 2019.

Section 10. Bond Fund and Provision for Tax Levy Payments. A special fund of the Port known as the “Port of Illahee Bond Redemption Fund, 2019” (the “Bond Fund”) is hereby authorized to be created in the office of the Treasurer. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Bond.

The Port hereby further irrevocably covenants that, unless the principal of and interest on the Bond are paid from other sources, it will make annual levies of taxes upon all of the property within the Port subject to taxation within and as a part of the tax levy permitted to the Port without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 11. No Undertaking to Provide Ongoing Disclosure and Information to Bank. The Bond is not subject to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, and the Port makes no undertaking regarding ongoing disclosure with respect to the Bond.

The Port shall provide the Bank its annual financial statements (including audited statements when received) for as long as the Bond is outstanding and held by the Bank.

Section 12. Lost, Stolen or Destroyed Bond. In case the Bond shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond of like date, number and tenor to the Bank thereof upon the Bank's paying the expenses and charges of the Port and the Bond Registrar in connection therewith and upon his filing with the Port evidence satisfactory to the Port and the Bond Registrar that such Bond was actually lost, stolen or destroyed and of his ownership thereof, and upon furnishing the Port and Bond Registrar with indemnity satisfactory to the Port.

Section 13. Amendment to Resolution No. 2019-03. The commitment letter from Kitsap Bank dated October 8, 2019 attached and approved pursuant to Resolution No. 2019-03 is hereby amended and replaced with the commitment letter dated December 6, 2019 attached hereto as Exhibit A.

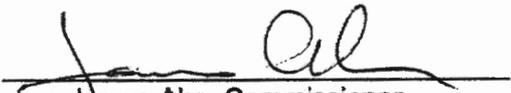
Section 14. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the Port shall be declared by any court

of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.

Section 15. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED BY THE PORT OF ILLAHEE COMMISSIONERS at a regular meeting held this 11th day of December, 2019.

PORT OF ILLAHEE,
KITSAP COUNTY, WASHINGTON

By 
James Aho, Commissioner

By 
Jonathan Buesch, Commissioner

By 
John Burton, Commissioner

EXHIBIT A

PURCHASE OFFER



December 6, 2019

Commissioners
Port of Ilwaco
P.O. Box 2357
Bremerton, WA 98310

Thank you for the opportunity to propose an offer on the Port's borrowing request. Kitsap Bank (the "Bank") has approved the borrowing facility outlined in this commitment letter under the following terms:

1. **Borrower:** Port of Ilwaco (the "Port")
2. **Amount:** \$160,000.00 or amounts as needed to fully refinance existing Kitsap Bank loan
3. **Form:** Fully registered, tax-exempt private-activity limited tax general obligation bond (the "Bond") issued by the Port and purchased by the Bank at private sale.
4. **Purpose:** Refinance existing Kitsap Bank loan for the Port's 5560 Ocean View property
5. **Terms:** The Bonds will mature 15 years with semi-annual interest and principal payments due on June 1 and December 1 of each year commencing on June 1, 2020 to the maturity or earlier prepayment of the Bonds. For illustrative purposes, a proposed amortization schedule is set forth in the attached Exhibit 1 assuming \$160,000.00 is the total amount borrowed. The final amortization schedule will be based on the amounts needed to fully pay off the existing loan and on interest rates as set forth below.
6. **Interest Rate:** Interest will be at a fixed rate per annum on a 30/360 basis established at the time of adoption of the Port authorizing resolution. The rate will be established based on the Bloomberg Bank Qualified A rated fair value curve plus a spread of 100 basis points (1.00%) to the average maturity for the bond.
7. **Security** The Bonds will be a limited tax general obligation of the Port. For as long as the Bonds are outstanding, the Port will irrevocably pledge that it will budget and appropriate from all monies legally available, within the constitutional and statutory limitations provided by law without a vote of the electors of the Port, amounts sufficient to pay the principal of and interest on the Bonds when due. The full faith, credit, and resources of the Port would be pledged irrevocably for the budget and appropriation of those amounts and the prompt payment of that principal and interest
8. **Transferability:** The Bank will hold the Bond with no intent to sell or transfer. However, the Bond will include provisions allowing transfer to another qualified purchaser.

kitsapbank.com

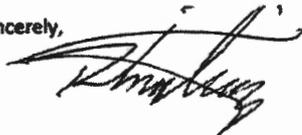
619 Bay Street | Port Orchard WA 98366 | 360 876.7800

9. **Prepayment:** The Port may prepay the Bond, in whole or in part, at any time. The Bank will not charge a prepayment fee on any amounts prepaid by the Port. The Port will provide the Bank with written notice of any intended prepayment at least 15 days prior to such prepayment date. Partial principal prepayments will be applied to the next scheduled amount due in succession up to the final amount due for complete repayment.
10. **Fees:** The Bank will charge a fee of \$750.00 of the approved Bond amount, due at closing. All legal costs incurred by the Port for purposes of issuing the Bond will be the responsibility of the Port. Fees and legal costs may be paid from Bond proceeds.
11. **Additional Terms:** The Bond documents will be in the standard forms customarily required by the Bank for municipal funding and may include additional terms and conditions not discussed above. At the date of closing the Bond, the financial condition and credit of the Port and all other features of this transaction would be as represented to the Bank without material adverse change. In the event of adverse material changes in the credit worthiness of the Port, including litigation involving or claims filed against the Port, any offers or commitments would terminate upon notice by the Bank. The Port will designate the Bond as a "tax-exempt obligation". The Port will provide the Bank with annual financial statements during the period the Bond is outstanding.
12. **Acceptance:** This commitment is not binding unless the Port returns a signed copy of this letter via mail or email prior to close of business on December 31, 2019 at which time the commitment will expire without notice. If, after acceptance, the Bond has not closed by January 31, 2020, this commitment will expire without notice.

Oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt are not enforceable under Washington law.

If this commitment is acceptable to the Port, please sign and return the enclosed copy. Thank you for the opportunity to work with you.

Sincerely,



Rich Martinez
SVP Director Municipal Banking

Acknowledged and accepted this _____ day of _____, 2019

Port of Ilwaco

By: _____

kitsapbank.com

619 Bay Street | Port Orchard, WA 98366 | 360 876.7800

CERTIFICATE

I, the undersigned, President of the Port Commission (the "Commission") of the Port of Illahee, Kitsap County, Washington (the "Port"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 2019-06 of the Port Commission (the "Resolution"), duly adopted at a regular meeting thereof held on the 11th day of December, 2019; and

2. That said meeting was duly convened and held in all respects in accordance with law, due and proper notice of such meeting was given, that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of December, 2019.



President, Port Commission