

BLACK LAKE SPECIAL DISTRICT, THURSTON COUNTY, WASHINGTON
SPECIAL ASSESSMENT BOND, 2021 (TAXABLE)

Not to exceed \$1,400,000

Bond Dated: March 19, 2021
Opinion Dated: March 19, 2021

PACIFICA LAW GROUP LLP
1191 2nd Avenue, Suite 2000
Seattle, Washington 98101-3404

**BLACK LAKE SPECIAL DISTRICT, THURSTON COUNTY, WASHINGTON
SPECIAL ASSESSMENT BOND, 2021 (TAXABLE)**

Not to exceed \$1,400,000

RECORD OF PROCEEDINGS

Organizational Documents

1. Certificate for Transcript
2. Copy of chapter 85.38 RCW
3. Letter from the Thurston County Auditor stating the names of the members of the Governing Board of the District (the “Board”)
4. Certified copy of the proceedings showing the election of the current Chair, Vice-Chair and Secretary of the Board
5. Certified copy of the proceedings establishing the date, time and place for regular meetings of the Board

Authorization of Bond

6. Ordinance No. 15930 of the Board of County Commissioners of Thurston County (the “County Commissioners”) adopted on September 29, 2020 approving and adopting the system of assessment
7. Ordinance No. 15941 of the County Commissioners adopted on November 10, 2020 authorizing the issuance by the District of a special assessment bond
8. Certified copy of Resolution No. 21-01 of the District adopted on March 15, 2021 (the “Bond Resolution”), including the Proposal of Kitsap Bank (the “Lender”)
9. Certified copy of the minutes of the meeting of the Board held on March 15, 2021, showing passage and adoption of the Bond Resolution
10. Letter to the Thurston County Treasurer in compliance with RCW 39.46.110(3)

Closing Documents

11. Signature Identification and Nonlitigation Certificate
12. Purchaser’s Letter
13. Certificate of Authentication, Registration and Delivery of Bond
14. Certificates of Manual Signature and Certificates of Mailing

15. Receipt for Bond

16. Bond Form 101

17. Specimen Bond

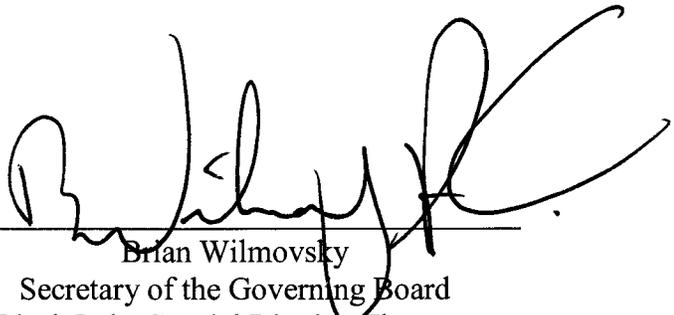
Opinion

18. Final approving legal opinion of Pacifica Law Group LLP

CERTIFICATE FOR TRANSCRIPT

I, BRIAN WILMOVSKY, the duly qualified Secretary of the Governing Board of the Black Lake Special District, Thurston County, Washington (the "District"), DO HEREBY CERTIFY that the within and attached documents are in each case true and correct copies of the originals of such documents and that none of the resolutions, proceedings, statements or certificates contained herein have been repealed, rescinded or canceled and all of the officers last certified as holding District offices have continued to hold their respective offices from such date to and including the date of this certificate.

Dated this 19th day of March, 2021.



Brian Wilmovsky
Secretary of the Governing Board
Black Lake Special District, Thurston
County, Washington

Chapter Listing | RCW Dispositions

Chapter 85.38 RCW

SPECIAL DISTRICT CREATION AND OPERATION

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RCW 85.38.001

Actions subject to review by boundary review board.

The establishment of a drainage district, drainage improvement district, or drainage or diking improvement district may be subject to potential review by a boundary review board under chapter 36.93 RCW. Annexations, consolidations, or transfers of territory by a drainage district, drainage improvement district, or drainage or diking improvement district may be subject to potential review by a boundary review board under chapter 36.93 RCW.

[1989 c 84 § 64.]

RCW 85.38.005

Purpose.

The purpose of this chapter is to provide uniform and simplified procedures for the creation, elections, and operations of various special districts that provide diking, drainage, and flood control facilities and services. The legislature finds that it is in the public interest to clarify and standardize the laws relating to these special districts.

[1985 c 396 § 1.]

RCW 85.38.010

Definitions.

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

- (1) "Governing body" means the board of commissioners, board of supervisors, or board of directors of a special district.
- (2) "Owner of land" means the record owner of at least a majority ownership interest in a separate and legally created lot or parcel of land, as determined by the records of the county auditor,

except that if the lot or parcel has been sold under a real estate contract, the vendee or grantee shall be deemed to be the owner of such land for purposes of authorizing voting rights. It is assumed, unless shown otherwise, that the name appearing as the owner of property on the property tax rolls is the current owner.

(3) "Qualified voter of a special district" means a person who is either: (a) A natural person who is a voter under general state election laws, registered to vote in the state of Washington for a period of not less than thirty days before the election, and the owner of land located in the special district for a period of not less than thirty days before the election; (b) a corporation or partnership that has owned land located in the special district for a period of not less than sixty days before the election; or (c) the state, its agencies or political subdivisions that own land in the special district or lands proposed to be annexed into the special district except that the state, its agencies and political subdivisions shall not be eligible to vote to elect a member of the governing board of a special district.

(4) "Special district" means: (a) A diking district; (b) a drainage district; (c) a diking, drainage, and/or sewerage improvement district; (d) an intercounty diking and drainage district; (e) a consolidated diking district, drainage district, diking improvement district, and/or drainage improvement district; or (f) a flood control district.

(5) "Special district general election" means the election of a special district regularly held on the first Tuesday after the first Monday in February in each even-numbered year at which a member of the special district governing body is regularly elected.

[1991 c 349 § 1; 1986 c 278 § 41; 1985 c 396 § 2.]

NOTES:

Severability—1986 c 278: See note following RCW 36.01.010.

RCW 85.38.020

Establishment of special districts—Petition or resolution—Contents.

The establishment of a special district may be initiated by either petition of the owners of property located within the proposed special district, or by resolution of the county legislative authority or authorities within which the proposed special district is located.

A petition calling for the creation of a special district, which is signed by at least ten owners of land located within the proposed district, shall be filed with the county legislative authority within which a proposed special district, or the largest portion of a special district, is located. If the proposed special district is proposed to be located within more than one county, the county legislative authority receiving the petitions shall notify the other county legislative authorities of the proposal. The petition shall set forth in general terms: (1) The objects sought by the creation of the special district; (2) the projects proposed to be completed by the special district that will accomplish these objects; (3) the boundaries of the proposed special district, which may be stated in terms of sections, townships, and ranges; and (4) any other matters deemed material by the petitioners. The jurisdiction of the county legislative authority to proceed with consideration of the creation of the proposed special district shall not be affected by the form of the petition or allegations on the petition. The petition shall be accompanied by proof of land ownership that is sufficient in the opinion of the county legislative authority to evidence the ownership of land by the petitioners within the proposed special district. A petition calling for the creation of a special district shall be accompanied by a bond of five thousand dollars to defray the costs incurred by the county, or counties, in considering the creation of the special district.

A resolution proposing the creation of a special district shall contain the same items as are required and permitted to be contained in a petition to create a special district.

[1985 c 396 § 3.]

RCW 85.38.030

Investigation of proposed boundaries and districts—Report.

Upon the filing of a valid petition or upon the adoption of the resolution, the county legislative authority shall direct the county engineer to investigate the proposed boundaries of the special district and the feasibility of the projects located in the county as proposed in the petition or resolution. The engineer shall report to the county legislative authority within ninety days of such direction on the proposed boundaries of the special district within the county and feasibility of that portion of the proposed project. If the proposed special district is located in more than one county, the county legislative authority of each county shall direct its county engineer to investigate and report on the proposal within its boundaries.

[1985 c 396 § 4.]

RCW 85.38.040

Proposed special districts—Public hearing—Notice.

The county legislative authority shall schedule a public hearing on the proposed special district if the county engineer's report indicates that the proposed projects are feasible. If the engineers of each of the counties within which a proposed special district is located indicate that the proposed projects are feasible, the county legislative authorities shall schedule a joint public hearing on the proposed special district. The county legislative authority may, on its own initiative, schedule a public hearing on the proposed special district if the county engineer's report indicates that the proposed projects are not feasible. The county legislative authorities of counties within which a proposed special district is located may, on their own initiative, schedule a joint public hearing on the proposed special district if one or more of the county engineers' reports indicate that the proposed projects are not feasible.

Notice of the public hearing shall be published in a newspaper of general circulation within the proposed special district, which notice shall be purchased in the manner of a general advertisement, not to be included with legal advertisements or with classified advertisements. This notice shall be published at least twice, not more than twenty nor less than three days before public hearing. Additional notice shall be made as required in RCW 79.44.040.

The notice must contain the following: (1) The date, time, and place of the public hearing; (2) a statement that a particular special district is proposed to be created; (3) a general description of the proposed projects to be completed by the special district; (4) a general description of the proposed special district boundaries; and (5) a statement that all affected persons may appear and present their comments in favor of or against the creation of the proposed special district.

[1991 c 349 § 8; 1985 c 396 § 5.]

RCW 85.38.050

Public hearing—Elections.

The county legislative authority or authorities shall conduct the public hearing at the date, time, and place indicated in the notice. Public hearings may be continued to other dates, times, and places specified by the county legislative authority or authorities before the adjournment of the public hearing. Each county legislative authority may alter those portions of boundaries of the proposed special district that are located within the county, but if territory is added that was not described in the original proposed boundaries, an additional hearing on the proposal shall be held with notice being published as provided in RCW 85.38.040.

After receiving the public testimony, the county legislative authority may cause an election to be held to authorize the creation of a special district if it finds:

(1) That creation of the special district will be conducive to the public health, convenience and welfare;

(2) That the creation of the special district will be of special benefit to a majority of the lands included within the special district; and

(3) That the proposed improvements are feasible and economical, and that the benefits of these improvements exceed costs for the improvements.

If the proposed special district is located within two or more counties, the county legislative authorities may cause an election to be held to authorize the creation of the special district upon making the findings set forth in subsections (1) through (3) of this section.

The county legislative authority or authorities may also choose not to allow such an election to be held by either failing to act or finding that one or more of these factors are not met.

[1991 c 349 § 9; 1985 c 396 § 6.]

RCW 85.38.060

Elections—Notice—Costs.

The county legislative authority or authorities shall cause an election on the question of creating the special district to be held if findings as provided in RCW 85.38.050 are made. The county legislative authority or authorities shall designate a time and date for such election, which shall be one of the special election dates provided for in RCW 29A.04.330, together with the site or sites at which votes may be cast. The persons allowed to vote on the creation of a special district shall be those persons who, if the special district were created, would be qualified voters of the special district as described in RCW 85.38.010. The county auditor or auditors of the counties within which the proposed special district is located shall conduct the election and prepare a list of presumed eligible voters.

Notices for the election shall be published as provided in RCW 85.38.040. The special district shall be created if the proposition to create the special district is approved by a simple majority vote of the voters voting on the proposition and the special district may assume operations whenever the initial members of the governing body are appointed as provided in RCW 85.38.070.

Any special district created after July 28, 1985, may only have special assessments measured and imposed, and budgets adopted, as provided in RCW 85.38.140 through 85.38.170.

If the special district is created, the county or counties may charge the special district for the costs incurred by the county engineer or engineers pursuant to RCW 85.38.030 and the costs of the auditor or auditors related to the election to authorize the creation of the special district pursuant to this section. Such county actions shall be deemed to be special benefits of the property located within the special district that are paid through the imposition of special assessments.

RCW 85.38.070

Governing board—Terms of office—Election—Appointment—Vacancies—Qualifications.

(1) Except as provided in RCW 85.38.090, each special district shall be governed by a three-member governing body. The term of office for each member of a special district governing body shall be six years and until his or her successor is elected and qualified. One member of the governing body shall be elected at the time of special district general elections in each even-numbered year for a term of six years beginning as soon as the election returns have been certified for assumption of office by elected officials of cities.

(2) The terms of office of members of the governing bodies of special districts, who are holding office on July 28, 1985, shall be altered to provide staggered six-year terms as provided in this subsection. The member who on July 28, 1985, has the longest term remaining shall have his or her term altered so that the position will be filled at the February 1992, special district general election; the member with the second longest term remaining shall have his or her term altered so that the position will be filled at the December, 1989, special district general election; and the member with the third longest term of office shall have his or her term altered so that the position will be filled at the December, 1987, special district general election.

(3) The initial members of the governing body of a newly created special district shall be appointed by the legislative authority of the county within which the special district, or the largest portion of the special district, is located. These initial governing body members shall serve until their successors are elected and qualified at the next special district general election held at least ninety days after the special district is established. At that election the first elected members of the governing body shall be elected. No primary elections may be held. Any voter of a special district may become a candidate for such a position by filing written notice of this intention with the county auditor at least thirty, but not more than sixty, days before a special district general election. The county auditor in consultation with the special district shall establish the filing period. The names of all candidates for such positions shall be listed alphabetically. At this first election, the candidate receiving the greatest number of votes shall have a six-year term, the candidate receiving the second greatest number of votes shall have a four-year term, and the candidate receiving the third greatest number of votes shall have a two-year term of office. The initially elected members of a governing body shall take office immediately when qualified as defined in RCW 29A.04.133. Thereafter the candidate receiving the greatest number of votes shall be elected for a six-year term of office. Members of a governing body shall hold their office until their successors are elected and qualified, and assume office as soon as the election returns have been certified.

(4) The requirements for the filing period and method for filing declarations of candidacy for the governing body of the district and the arrangement of candidate names on the ballot for all special district elections conducted after the initial election in the district shall be the same as the requirements for the initial election in the district. No primary elections may be held for the governing body of a special district.

(5) Whenever a vacancy occurs in the governing body of a special district, the legislative authority of the county within which the special district, or the largest portion of the special district, is located, shall appoint a district voter to serve until a person is elected, at the next special district general election occurring sixty or more days after the vacancy has occurred, to serve the remainder of the unexpired term. The person so elected shall take office immediately when qualified as defined in RCW 29A.04.133.

If an election for the position which became vacant would otherwise have been held at this special district election, only one election shall be held and the person elected to fill the succeeding term for that position shall take office immediately when qualified as defined in RCW 29A.04.133 and shall

serve both the remainder of the unexpired term and the succeeding term. A vacancy occurs upon the death, resignation, or incapacity of a governing body member or whenever the governing body member ceases being a qualified voter of the special district.

(6) An elected or appointed member of a special district governing body, or a candidate for a special district governing body, must be a qualified voter of the special district: PROVIDED, That the state, its agencies and political subdivisions, or their designees under RCW 85.38.010(3) shall not be eligible for election or appointment.

[2015 c 53 § 101; 1991 c 349 § 11; 1987 c 298 § 2; 1986 c 278 § 42; 1985 c 396 § 8.]

NOTES:

Severability—1986 c 278: See note following RCW 36.01.010.

RCW 85.38.075

Governing body—Compensation and expenses.

The members of the governing body may each receive up to ninety dollars per day or portion thereof spent in actual attendance at official meetings of the governing body or in performance of other official services or duties on behalf of the district. The governing body shall fix the compensation to be paid to the members, secretary, and all other agents and employees of the district. Compensation for the members shall not exceed eight thousand six hundred forty dollars in one calendar year. A member is entitled to reimbursement for reasonable expenses actually incurred in connection with such business, including subsistence and lodging, while away from the member's place of residence, and mileage for use of a privately owned vehicle in accordance with chapter 42.24 RCW.

Any member may waive all or any portion of his or her compensation payable under this section as to any month or months during his or her term of office, by a written waiver filed with the secretary as provided in this section. The waiver, to be effective, must be filed any time after the member's election and prior to the date on which the compensation would otherwise be paid. The waiver shall specify the month or period of months for which it is made.

The dollar thresholds established in this section must be adjusted for inflation by the office of financial management every five years, beginning January 1, 2024, based upon changes in the consumer price index during that time period. "Consumer price index" means, for any calendar year, that year's annual average consumer price index, for Washington state, for wage earners and clerical workers, all items, compiled by the bureau of labor and statistics, United States department of labor. If the bureau of labor and statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the adjustments for inflation in this section. The office of financial management must calculate the new dollar threshold and transmit it to the office of the code reviser for publication in the Washington State Register at least one month before the new dollar threshold is to take effect.

A person holding office as commissioner for two or more special purpose districts shall receive only that per diem compensation authorized for one of his or her commissioner positions as compensation for attending an official meeting or conducting official services or duties while representing more than one of his or her districts. However, such commissioner may receive additional per diem compensation if approved by resolution of all boards of the affected commissions.

[2020 c 83 § 12; 2007 c 469 § 15; 1998 c 121 § 12.]

RCW 85.38.080

Governing body—Bond.

Each member of a governing body of a special district, whether elected or appointed, shall enter into a bond, payable to the special district. The bond shall be in the sum of not less than one thousand dollars nor more than five thousand dollars, as determined by the county legislative authority of the county within which the special district, or the largest portion of the special district, is located. The bond shall be conditioned on the faithful performance of his or her duties as a member of the governing body of the special district and shall be filed with the county clerk of the county within which the special district, or the largest portion of the special district, is located.

[1987 c 298 § 3; 1985 c 396 § 9.]

RCW 85.38.090

Governing body—Reduction in size.

(1) Whenever the governing body of a special district has more than three members, the governing body shall be reduced to three members as of January 1, 1986, by eliminating the positions of those district governing body members with the shortest remaining terms of office. The remaining three governing body members shall have staggered terms with the one having the shortest remaining term having his or her position filled at the 1987 special district general election, the one with the next shortest remaining term having his or her position filled at the 1989 special district general election, and the one with the longest remaining term having his or her position filled at the 1992 special district general election. If any of these remaining three governing body members have identical remaining terms of office, the newly calculated remaining terms of these persons shall be determined by lot with the county auditor who assists the special district in its elections managing such lot procedure. The newly established terms shall be recorded by the county auditor.

(2) However, whenever five or more special districts have consolidated under chapter **85.36** RCW and the consolidated district has five members in its governing body on July 28, 1985, the consolidated district may adopt a resolution retaining a five-member governing body. At any time thereafter, such a district may adopt a resolution and reduce the size of the governing body to three members with the reduction occurring as provided in subsection (1) of this section, but the years of the effective dates shall be extended so that the reduction occurs at the next January 1st occurring after the date of the adoption of the resolution. Whenever a special district is so governed by a five-member governing body, two members shall be elected at each of two consecutive special district general elections, and one member shall be elected at the following special district general election, each to serve a six-year staggered term.

(3) Nothing in this section permits the governing body of a flood control district that is subject to RCW **85.38.290** to reduce the size of its governing body.

[2010 c 131 § 1; 1991 c 349 § 12; 1985 c 396 § 10.]

RCW 85.38.100

General elections.

General elections shall be held in each special district on the first Tuesday after the first Monday in February in each even-numbered year. The auditor of the county within which a special district, or the largest portion of a special district, is located may provide for special elections whenever necessary.

[1991 c 349 § 5; 1985 c 396 § 11.]

RCW 85.38.105

Voting rights.

(1) The owner of land located in a special district who is a qualified voter of the special district shall receive two votes at any election. This section does not apply to special flood control districts consisting of three or more counties.

(2) If multiple undivided interests, other than community property interests, exist in a lot or parcel and no person owns a majority undivided interest, the owners of undivided interests at least equal to a majority interest may designate in writing:

(a) Which owner is eligible to vote and may cast two votes; or

(b) Which two owners are eligible to vote and may cast one vote each.

(3) If land is owned as community property, each spouse is entitled to one vote if both spouses otherwise qualify to vote, unless one spouse designates in writing that the other spouse may cast both votes.

(4) A corporation, partnership, or governmental entity shall designate:

(a) A natural person to cast its two votes; or

(b) Two natural persons to each cast one of its votes.

(5) Except as provided in RCW 85.08.025 and 86.09.377, no owner of land may cast more than two votes or have more than two votes cast for him or her in a special district election.

[2009 c 144 § 1; 1991 c 349 § 2.]

RCW 85.38.110

Presumed eligible voters' list—Notice of requirements of voting authority—Copy of voter's list to county auditor.

A list of presumed eligible voters shall be prepared and maintained by each special district. The list shall include the assessor's tax number for each lot or parcel in the district, the name or the names of the owners of such lots and parcels and their mailing address, the extent of the ownership interest of such persons, and if such persons are natural persons, whether they are known to be registered voters in the state of Washington. Whenever such a list is prepared, the district shall attempt to notify each owner of the requirements necessary to establish voting authority to vote. Whenever lots or parcels in the district are sold, the district shall attempt to notify the purchasers of the requirements necessary to establish voting authority. Each special district shall provide a copy of this list, and any revised list, to the auditor of the county within which all or the largest portion of the special district is located. The special district must compile the list of eligible voters and provide it to the county auditor by the first day of November preceding the special district general election. In the event the special district does not

provide the county auditor with the list of qualified voters by this date, the county auditor shall compile the list and charge the special district for the costs required for its preparation. The county auditor shall not be held responsible for any errors in the list.

[1991 c 349 § 13; 1985 c 396 § 12.]

RCW 85.38.115

Elections—When not required.

No election shall be held to elect a member of a special district governing body, or to fill the remainder of an unexpired term which arose from a vacancy on the governing body, if no one or only one person files for the position.

If only one person files for the position, he or she shall be considered to have been elected to the position at the election that otherwise would have taken place for such position.

If no one files for the position and the upcoming election is one at which someone would have been elected to fill the expired term, the position shall be treated as vacant at the expiration of the term.

If no one files for the position and the upcoming election is one at which someone would have been elected to fill the remaining term of office, the person appointed to fill the vacancy shall be considered to have been elected to the position at the election and shall serve for the remainder of the unexpired term.

[1991 c 349 § 6.]

RCW 85.38.120

Elections—Auditor's assistance—Notice—Auditor's costs.

The auditor of the county within which a special district, or the largest portion of a special district, is located shall assist such special district with its elections as provided in this section.

(1) The county auditor shall publish notice of an election to create a special district and notice of all special district elections not conducted by mail in a newspaper of general circulation in the special district at least once not more than ten nor less than three days before the election. The notices shall describe the election, give its date and times to be held, and indicate the election site or sites in the special district where ballots may be cast.

(2) If a special district has at least five hundred qualified voters, then the county auditor shall publish in a newspaper of general circulation in the special district a notice of the filing period and place for filing a declaration of candidacy to become a member of the governing body. This notice shall be published at least seven days prior to the closing of the filing period. If the special district has less than five hundred qualified voters, then the special district shall mail or deliver this notice to each qualified voter of the special district at least seven days prior to the closing of the filing period.

(3) All costs of the county auditor incurred related to such elections shall be reimbursed by the special district.

[1991 c 349 § 14; 1985 c 396 § 13.]

RCW 85.38.125

Elections—Auditor to conduct.

(1) If a special district has less than five hundred qualified voters, then the special district must contract with the county auditor to conduct the special district elections.

(2) If a special district has at least five hundred qualified voters, the special district may contract with the county auditor to conduct the election. A special district with at least five hundred qualified voters may also choose to conduct its own elections. A special district that conducts its own elections must enter into an agreement with the county auditor that specifies the responsibilities of both parties.

[2011 c 10 § 83; 1991 c 349 § 15.]

NOTES:

Notice to registered poll voters—Elections by mail—2011 c 10: See note following RCW 29A.04.008.

RCW 85.38.127

Elections—Special flood control districts—Qualified voters.

All registered voters within a special flood control district consisting of three or more counties are qualified voters in special flood control district elections.

[2009 c 144 § 2.]

RCW 85.38.130

Election officials—Duties—Voting hours—Challenged ballots—Absentee ballots.

For special district elections that are not conducted by mail, the governing body of each special district shall appoint three voters of the special district, who may be members of the governing body, to act as election officials, unless the special district contracts with the county auditor to staff the election site. The election officials shall distribute a ballot or ballots to each voter of the special district who arrives at the voting place during the hours for the election on the day of the election and requests a ballot. Ballots shall also be provided to those persons arriving at the polling place during the hours for the election on the day of the election who present documents or evidence sufficient to establish their eligibility to vote. A person arriving at the polling place at such times who demands a ballot, but who fails to present documents or evidence which in the opinion of the election officials is sufficient to establish eligibility to vote, shall be given a ballot clearly marked as "challenged" and shall be allowed to vote. Each challenged ballot shall be numbered consecutively and a list of such persons and their ballot numbers shall be made.

The governing body of each special district shall designate those hours from 7 a.m. to 8 p.m. during which the election shall be held: PROVIDED, That at least six consecutive hours must be designated. When the election is over, the election officials shall secure the ballots and transport the ballots to the county auditor's office by noon of the day following the election. The auditor may, at his or

her discretion, station a deputy auditor or auditors at the election site who shall observe the election and transport the ballots to the auditor's office. The auditor shall count the ballots and certify the count of votes for and against each measure and for each candidate appearing on the ballot. A separate count shall be made of any challenged ballots. A challenged ballot shall be counted as a normal ballot if documents or evidence are supplied to the auditor before 4:00 p.m. on the day after the election that, in the opinion of the auditor, are sufficient to establish the person's eligibility to vote.

Additionally, voting by absentee ballot shall be allowed in every special district. A request for an absentee ballot may be made by an eligible voter by mail or in person to the county auditor who supervises the special district elections. An absentee ballot shall be provided to each voter of a special district requesting such a ballot under this section. A person requesting such a ballot may present information establishing his or her eligibility to vote in such a special district. The auditor shall provide an absentee ballot to each person requesting an absentee ballot who is either included on the list of presumed eligible voters or who submits information which, in the auditor's opinion, establishes his or her eligibility to vote. The names of these persons so determined to be eligible to vote shall be added to the list of presumed eligible voters for the appropriate special district. The request for an absentee ballot must be made no more than forty-five days before the election. To be valid, absentee ballots must be postmarked on or before the day of the election and mailed to the county auditor.

[1991 c 349 § 16; 1985 c 396 § 14.]

RCW 85.38.140

Special district financing—Alternative method.

The process by which budgets are adopted, special assessments are measured and imposed, rates and charges are fixed, and assessment zones are established, as provided in RCW 85.38.140 through 85.38.170, shall constitute an alternative optional method of financing special districts. A special district in existence prior to July 28, 1985, may conform with RCW 85.38.140 through 85.38.170 when its governing body adopts a resolution indicating its intention to conform with such laws. Whenever such a resolution is adopted, or a new special district is created on or after July 28, 1985, RCW 85.38.140 through 85.38.170 shall be the exclusive method by which the special district measures and imposes special assessments and adopts its budget. The governing body of a special district that was created before July 28, 1985, and which operates under RCW 85.38.140 through 85.38.170, may adopt a resolution removing the special district from operating under RCW 85.38.140 through 85.38.170, and operate under alternative procedures available to the special district. A county may charge a special district for costs the county incurs in establishing a system or systems of assessment for the special district pursuant to RCW 85.38.140 through 85.38.170.

[1993 c 464 § 3; 1985 c 396 § 15.]

RCW 85.38.145

Rates and charges.

Regardless of whether any special assessments have been or may be imposed on a particular parcel of real property pursuant to this chapter, in order to implement the authority granted under RCW 85.38.180(3), a special district may fix rates and charges payable by owners or occupiers of real estate within the special district. When fixing rates and charges, the district may consider the degree to which

activities on a parcel of real property, including on-site septic systems, contribute to the problems that the special district is authorized to address under RCW 85.38.180(3).

[1993 c 464 § 4.]

RCW 85.38.150

Special assessments—Valuation—Assessment zones—Criteria for assessments.

(1) Special district special assessments shall be imposed only on real property within the district that uses or will use the special district's facilities or receives or will receive special benefits from the special district's operations and facilities. Both privately owned and publicly owned real property, including real property owned by the state, is subject to these special assessments. Mobile homes located on real property within a special district shall be considered an improvement to the real property for purposes of imposing special assessments.

(2) Special assessments imposed upon real property, other than improvements, shall be a function of the dollar value of benefit or use per acre and the assessment zone in which the real property is located. Special assessments imposed upon an improvement shall be a function of the dollar value of benefit or use assigned to the type or class of improvements and the assessment zone in which the improvement is located.

(3) Assessment zones shall be established in which each zone reflects a different relative ratio of benefit or use that the real property within such a zone receives, or will receive, from the special district's operations and facilities. That real property receiving the greatest benefits, or which uses the special district's facilities to the greatest extent, shall be placed into class No. 1 and assigned a value of one hundred percent; that real property receiving the next greatest benefits, or which uses the special district's facilities to the next greatest extent, shall be placed into class No. 2 and assigned a lower percentage value; and so on, extending to the class of least benefits or use. That real property receiving no benefits or use shall be designated "nonbenefit." If all real property in the special district is found to have the same relative ratio of benefit or use, a single assessment zone may be established.

(4) Any one or more of the following criteria shall be used in measuring the manifest degrees or ratios of benefit or use: (a) Proximity to the special district's facilities; (b) height above or below dikes and levees; (c) easier accessibility; (d) facility of drainage; (e) minimization of flood or inundation damage; (f) actual flood protection; (g) use of the special district's facilities; and (h) any other criteria established by the county under RCW 85.38.160 that measure manifest degrees of benefit or use from the special district's facilities and operations.

(5) Special assessments may be imposed to pay for the construction, repair, and maintenance of special district facilities and for special district operations. Administrative and operational costs of the special district shall be proportionally included in these special assessments.

[1985 c 396 § 16.]

RCW 85.38.160

Systems of assessment—Hearing—Notice—Adoption of ordinance—Appeals—Review—Emergency assessment.

(1) The county within which each special district is located shall establish a system or systems of assessment for the special district as provided in this section. A differing system of assessment shall be

established for different classes of facilities that a special district provides or will provide, including a separate system of assessment for diking and drainage facilities if both classes of facilities are provided. Whenever a special district is located in more than one county, the county within which the largest portion of the special district is located shall establish the system or systems of assessment for the entire special district. A system of assessment shall include assessment zones, the acreage included in each assessment zone, a dollar value of benefit or use per acre, and various classes or types of improvements together with a dollar value of benefit or use for an improvement included in each of the classes or types of improvements. The county shall establish which improvements shall be subject to special assessments and shall establish one or more types or classes of such improvements.

(2) The engineer of the county shall prepare a preliminary system or systems of assessment for each special district. Each system of assessment that is prepared for a special district shall be designed to generate a total of one thousand dollars in revenue for the special district.

The preliminary system or systems of assessment shall be filed with the county legislative authority. A public hearing on the preliminary system or systems of assessment shall be held by the county legislative authority. Notice of the public hearing shall be published in a newspaper, in general circulation in the special district, for two consecutive weeks with the final notice being published not less than fourteen, nor more than twenty-one days, before the public hearing. Notice shall also be mailed to each owner or reputed owner, as shown on the assessor's tax rolls, of each lot or parcel subject to such assessments. The mailed notice shall indicate the amount of assessment on the lot or parcel that, together with all other assessments in the system of assessment, would raise one thousand dollars. The mailed notice shall indicate that this assessment amount is not being imposed, but is a hypothetical assessment that, if combined with all other hypothetical assessments in the system of assessment, would generate one thousand dollars, and that this hypothetical assessment is proposed to be used to establish a system or systems of assessment for the special district. Where a special district currently is imposing special assessments and a property owner's property is subject to these special assessments, the mailed notice to this property owner also shall use the hypothetical special assessment in conjunction with the total special assessments imposed by the special district in that year to provide a comparison special assessment value to the property owner. This notice shall indicate that the comparison special assessment value is not being imposed, and should be considered for comparative purposes only. Where a special district is not currently imposing special assessments, the mailed notice may include, if deemed appropriate by the county engineer and if such figures are available, an estimated special assessment value for the property owner's property using this hypothetical special assessment in conjunction with special district-wide level of special assessments that possibly would be imposed in the following year. Where a county is imposing rates and charges for stormwater or surface water control facilities pursuant to chapters 36.89 or 36.94 RCW, the county shall credit such rates and charges with assessments imposed under this section by a special district to fund drainage facilities and the maintenance of drainage facilities.

(3) The county legislative authority shall hold a public hearing on the preliminary system or systems of assessment on the day specified in the notices. Persons objecting to the preliminary system or systems of assessment may present their objections at this public hearing, which may be continued if necessary. The county legislative authority shall adopt an ordinance finalizing the system or systems of assessment after making any changes that in its discretion are necessary. The county legislative authority shall have broad discretion in establishing systems of assessment. The decision of the county legislative authority shall be final, except for appeals. Any person objecting to the system or systems of assessment must appeal such decision to the superior court of the county within which all, or the largest portion, of the special district is located within twenty days of the adoption of the ordinance.

(4) The system or systems of assessment of each special district shall be reviewed by the county engineer and finalized by the county legislative authority at least once every four years. A system or systems of assessment shall be finalized on or before the first of September in the year that it is finalized. The legislative authority of a county that is responsible for establishing a system or systems of assessment for more than one special district may, at its option, stagger the initial finalization of such

systems of assessment for different special districts over a period of up to four years. Assessments shall be collected in special districts pursuant to the district's previous system of assessment until the system or systems of assessment under this chapter is finalized under this section.

(5) New improvements shall be noted by the special district as they are made and shall be subject to special assessments in the year after the improvement is made.

(6) The county legislative authority, upon request by a special district, may authorize the special district to impose and collect emergency assessments pursuant to the special district's system or systems of assessment whenever the emergent protection of life or property is necessary.

[1985 c 396 § 17.]

RCW 85.38.165

Applicable assessed value.

(1) Every special district must use the assessed value applicable to forestland, farm and agricultural land, or open space land, under chapter **84.33** or **84.34** RCW, when the land has been designated as such and the assessed value is used as a component in determining the district assessment.

(2) If a district uses a fractional amount of assessed value as a component in determining the district assessment, then a fractional amount of the value applicable to forestland, farm and agricultural land, or open space land, under chapter **84.33** or **84.34** RCW, shall be used.

[2005 c 181 § 1.]

RCW 85.38.170

Budgets—Special assessments—Notice—Delinquent special assessments—Collection fee.

Budgets for each special district shall be adopted, and special assessments imposed, annually for the succeeding calendar year. On or before December 1st of each year, the governing body of the special district shall adopt a resolution approving a budget for the succeeding year and special assessments sufficient to finance the budget. A copy of the resolution and the budget shall be forwarded immediately to the county legislative authority of the county or counties within which the special district is located and to the treasurer of the county or counties in which the special district is located. Special assessments necessary to generate funds for this budget shall be imposed pursuant to the system or systems of assessment established by the county. Special assessments shall be collected by the county treasurer or treasurers within which the special district is located. Notice of the special assessments due may be included on the notice of property taxes due, may be included on a separate notice that is mailed with the notice of property taxes due, or may be sent separately from the notice of property taxes due. Special assessments shall be due at the same time property taxes are due and shall constitute liens on the land or improvements upon which they are imposed. Delinquent special assessments shall be foreclosed in the same manner, and subject to the same time schedules, interest, and penalties as delinquent property taxes. County treasurers may impose a fee for collecting special assessments not to exceed one percent of the dollar value of special assessments collected.

[1985 c 396 § 18.]

RCW 85.38.180

Special districts—Powers.

A special district may:

(1) Engage in flood control activities, and investigate, plan, construct, acquire, repair, maintain, and operate improvements, works, projects, and facilities necessary to prevent inundation or flooding from rivers, streams, tidal waters or other waters. Such facilities include dikes, levees, dams, banks, revetments, channels, canals, drainage ditches, tide gates, flood gates, and other works, appliances, machinery, and equipment.

(2) Engage in drainage control, stormwater control, and surface water control activities, and investigate, plan, construct, acquire, repair, maintain, and operate improvements, works, projects, and facilities necessary to control and treat stormwater, surface water, and flood water. Such facilities include drains, flood gates, drainage ditches, tide gates, ditches, canals, nonsanitary sewers, pumps, and other works, appliances, machinery, and equipment.

(3) Engage in lake or river restoration, aquatic plant control, and water quality enhancement activities.

(4) Take actions necessary to protect life and property from inundation or flow of flood waters, stormwaters, or surface waters.

(5) Acquire, purchase, condemn by power of eminent domain pursuant to chapters 8.08 and 8.25 RCW, or lease, in its own name, necessary property, property rights, facilities, and equipment.

(6) Sell or exchange surplus property, property rights, facilities, and equipment.

(7) Accept funds and property by loan, grant, gift, or otherwise from the United States, the state of Washington, or any other public or private source.

(8) Hire staff, employees, or services, or use voluntary labor.

(9) Sue and be sued.

(10) Cooperate with or join the United States, the state of Washington, or any other public or private entity or person for district purposes.

(11) Enter into contracts.

(12) Exercise any of the usual powers of a corporation for public purposes.

[2003 c 392 § 1; 1991 c 349 § 17; 1985 c 396 § 19.]

RCW 85.38.190

Construction of improvements—When public bidding not required—Use of district employees or volunteers.

Any proposed improvement or part thereof, not exceeding five thousand dollars in cost, may be constructed by district employees: PROVIDED, That this shall not restrict a special district from using volunteer labor and equipment on improvements, and providing reimbursement for actual expenses.

[1987 c 298 § 4; 1986 c 278 § 50.]

NOTES:

Severability—1986 c 278: See note following RCW 36.01.010.

RCW 85.38.200

Annexation of contiguous territory—Procedures.

(1) Territory that is contiguously located to a special district may be annexed by the special district as provided in this section under the petition and election, resolution and election, or direct petition method of annexation.

(2) An annexation under the election method may be initiated by the filing of a petition requesting the action that is signed by at least ten owners of property in the area proposed to be annexed or the adoption of a resolution requesting such action by the governing body of the special district. The petitions shall be filed with the governing body of the special district that is requested to annex the territory. An election to authorize an annexation initiated under the petition and election method may be held only if the governing body approves the annexation. An annexation under either election method shall be authorized if the voters of the area proposed to be annexed approve a ballot proposition favoring the annexation by a simple majority vote. The annexation shall be effective when results of an election so favoring the annexation are certified by the county auditor or auditors. The election, notice of the election, and eligibility to vote at the election shall be as provided for the creation of a special district.

(3) An annexation under the direct petition method of annexation may be accomplished if the owners of a majority of the acreage proposed to be annexed sign a petition requesting the annexation, and the governing body of the special district approves the annexation. The petition shall be filed with the governing body of the special district. The annexation shall be effective when the governing body approves the annexation.

(4) Whenever a special district annexes territory under this section, the exclusive method by which the special district measures and imposes special assessments upon real property within the entire enlarged area shall be as set forth in RCW 85.38.150 through 85.38.170.

[1986 c 278 § 8.]

NOTES:

Severability—1986 c 278: See note following RCW 36.01.010.

RCW 85.38.210

Consolidation of contiguous districts—Procedures.

Two or more special districts that are contiguously located with each other, or which occupy all or part of the same territory, may consolidate as provided in this section. The consolidation shall result in the creation of a flood control district.

A consolidation may be initiated by: (1) The filing of a petition requesting the action that is signed by eligible voters of each special district who constitute at least ten percent of the eligible voters of the special district, or who own at least a majority of the acreage in the special district; or (2) the adoption of a resolution requesting such action by the governing body of each special district. The petitions shall be filed with, and the resolutions shall be submitted to, the county legislative authority of the county within which all or the largest portion of the special districts is located. The auditor of the county, or auditors of the counties, within which these districts are located shall authenticate the signatures on the petitions

and certify the results. An election to authorize the consolidation shall be held not more than one hundred eighty days after the date of the filing of the resolutions, or the determination that sufficient valid signatures are included on the petition from the voters of each of the special districts.

The consolidation shall be authorized if voters in each of the special districts approve a ballot proposition favoring the consolidation by a simple majority vote. Members of the governing body of the consolidated special district shall be selected as provided in RCW 85.38.070 for a newly created special district and the consolidation shall be effective when these initial members of the governing body are so appointed.

All moneys, rights, property, assets and liabilities of the consolidating special districts shall vest in and become the obligation of the new consolidated special district, except that any indebtedness of a consolidating special district shall remain an indebtedness of the original consolidating special district and lands within the original consolidating special district. The governing body of the new consolidated special district shall impose special assessments on lands in the original consolidating special district to redeem this indebtedness. However, the new consolidated special district may issue funding or refunding bonds or notes and fund or refund such indebtedness. The new consolidated special district may continue imposing special assessments pursuant to the various systems of assessment used by the original consolidating special districts, or may establish a new system or systems of assessment in all or part of the new consolidated special district to finance its operations.

[1986 c 278 § 9.]

NOTES:

Severability—1986 c 278: See note following RCW 36.01.010.

RCW 85.38.213

Withdrawal of area within city or town.

A special district may withdraw area from its boundaries that is located within the boundaries of a city or town, or area that includes area both within and adjacent to the boundaries of any city or town, under this section.

(1) The withdrawal of area is authorized upon the following conditions being met: (a) Adoption of a resolution by the special district requesting withdrawal of the area from the district; (b) adoption of a resolution by the city or town council approving the withdrawal of the special district from the area; (c) assumption by the city or town of full responsibility for the maintenance, improvements, and collection of payment for the operation of the system previously operated by the special district in the area; (d) transfer by the special district of all rights-of-way or easements in the area to the city or town by quit claim or deed; and (e) adoption of an interlocal agreement between the special district and the city or town that reimburses the special district for lost assessment revenue from the withdrawn area, that transfers any facilities or improvements owned by the special district to the city or town as agreed between the parties, and that requires the city or town to maintain existing water runoff and water quality levels in the area.

(2) Property in the territory withdrawn from the boundaries of a special district under this section shall remain liable for any special assessments of the special district from which it was withdrawn, if the special assessments are associated with bonds or notes used to finance facilities serving the property, to the same extent as if the withdrawal of property had not occurred.

[1993 c 464 § 2.]

RCW 85.38.215

Transfer of territory from one special district to another.

Territory that is located in one special district may be transferred from that special district to another special district as provided in this section, if a portion of this territory is coterminous with a portion of the boundaries of the special district to which it is transferred. Such a transfer shall be accomplished using the procedures in RCW 85.38.200 for annexing territory, except that the governing body of both special districts must approve the transfer and make findings that the transfer is in the public interest and that the special district to which the territory is transferred is better able to provide the activities and facilities serving the territory than the special district from which the territory is transferred.

Property in the territory so transferred shall remain liable for any special assessments of the special district from which it was transferred, if the special assessments are associated with bonds or notes used to finance facilities serving the property, to the same extent as if the transfer had not occurred.

A transfer of territory also may include the transfer of property, facilities, and improvements owned by one special district to the other special district, with or without consideration being paid.

[1987 c 298 § 1.]

RCW 85.38.217

Drainage and drainage improvement districts—Removal of area by first-class city—Notice.

Any portion of a drainage district or drainage improvement district located within the boundaries of a first-class city operating a storm drain utility pursuant to RCW 35.67.030 may be removed from the drainage district or drainage improvement district by ordinance of the city. The removal of an area shall not result in the impairment of any contract nor remove the liability or obligation to finance district improvements that serve the area so removed as of the effective date of the ordinance. Residents of the district to be removed shall be given substantial notice of the impending action and the opportunity to respond to the action.

[1991 c 28 § 3.]

RCW 85.38.220

Suspension of operations—Procedure—Reactivation.

Any special district may have its operations suspended as provided in this section. The process of suspending a special district's operations may be initiated by: (1) The adoption of a resolution proposing such action by the governing body of the special district; (2) the filing of a petition proposing such action with the county legislative authority of the county in which all or the largest portion of the special district is located, which petition is signed by voters of the special district who own at least ten percent of the acreage in the special district or is signed by ten or more voters of the special district; or

(3) the adoption of a resolution proposing such action by the county legislative authority of the county in which all or the largest portion of the special district is located.

A public hearing on the proposed action shall be held by the county legislative authority at which it shall inquire into whether such action is in the public interest. Notice of the public hearing shall be published in a newspaper of general circulation in the special district, posted in at least four locations in the special district to attract the attention of the public, and mailed to the members of the governing body of the special district, if there are any. After the public hearing, the county legislative authority may adopt a resolution suspending the operations of the special district if it finds such suspension to be in the public interest, and shall provide a copy of the resolution to the county treasurer. When a special district is located in more than one county, the legislative authority of each of such counties must so act before the operations of the special district are suspended.

After holding a public hearing on the proposed reactivation of a special district that has had its operations suspended, the legislative authority or authorities of the county or counties in which the special district is located may reactivate the special district by adopting a resolution finding such action to be in the public interest. Notice of the public hearing shall be posted and published as provided for the public hearing on a proposed suspension of a special district's operations. The governing body of a reactivated special district shall be appointed as in a newly created special district.

No special district that owns drainage or flood control improvements may be suspended unless the legislative authority of a county accepts responsibility for operation and maintenance of the improvements during the suspension period.

[2001 c 299 § 20; 1986 c 278 § 10.]

NOTES:

Severability—1986 c 278: See note following RCW 36.01.010.

RCW 85.38.225

Alternative dissolution procedure—Drainage and drainage improvement districts—Conditions.

As an alternative to this chapter a drainage district or drainage improvement district located within the boundaries of a county storm drainage and surface water management utility, and which is not currently imposing assessments, may be dissolved by ordinance of the county legislative authority. If the alternative dissolution procedure in this section is used the following shall apply:

(1) The county storm drainage and surface water management utility shall assume responsibility for payment or settlement of outstanding debts of the dissolved drainage district or drainage improvement district, and shall notify the county treasurer at such time of the assumption of responsibility.

(2) All assets, including money, funds, improvements, or property, real or personal, shall become assets of the county in which the dissolved drainage district or drainage improvement district was located.

(3) Notwithstanding RCW 85.38.220, the county storm drainage and surface water management utility may determine how to best manage, operate, maintain, improve, exchange, sell, or otherwise dispose of all property, real and personal, of the dissolved drainage district or drainage improvement district, and may determine to modify, cease the operation of, and/or remove any or all facilities or improvements to real property of the dissolved drainage district or drainage improvement district.

[2001 c 299 § 21; 1991 c 28 § 2.]

RCW 85.38.230

Special assessment bonds authorized.

A special district may issue special assessment bonds or notes to finance costs related to providing, improving, expanding, or enlarging improvements and facilities if the county legislative authority within which all or the major part of the special district is located authorizes the issuance of such bonds or notes. The decision of a county legislative authority authorizing or failing to authorize a proposed issue of special assessment bonds or notes constitutes a discretionary function, and shall not give rise to a cause of action against the county, county legislative authority, or any member of the county legislative authority.

[1986 c 278 § 18.]

NOTES:

Severability—1986 c 278: See note following RCW 36.01.010.

RCW 85.38.240

Special assessment bonds—Issuance—Terms.

(1) Special assessment bonds and notes issued by special districts shall be issued and sold in accordance with chapter 39.46 RCW, except as otherwise provided in this chapter. The maximum term of any special assessment bond issued by a special district shall be twenty years. The maximum term of any special assessment note issued by a special district shall be five years.

(2) The governing body of a special district issuing special assessment bonds or notes shall create a special fund or funds, or use an existing special fund or funds, from which, along with any special assessment bond guaranty fund the special district has created, the principal of and interest on the bonds or notes exclusively are payable.

(3) The governing body of a special district may provide such covenants as it may deem necessary to secure the payment of the principal of and interest on special assessment bonds or notes, and premiums on special assessment bonds or notes, if any. Such covenants may include, but are not limited to, depositing certain special assessments into a special fund or funds, and establishing, maintaining, and collecting special assessments which are to be placed into the special fund or funds. The special assessments covenanted to be placed into such a special fund or funds after June 11, 1986, only may include all or part of the new system of special assessments imposed for such purposes, pursuant to RCW 85.38.150 and 85.38.160. Special assessment bonds or notes issued after July 26, 1987, may not be payable from special assessments imposed under authorities other than those provided in chapter 85.38 RCW.

(4) A special assessment bond or note issued by a special district shall not constitute an indebtedness of the state, either general or special, nor of the county, either general or special, within which all or any part of the special district is located. A special assessment bond or note shall not constitute a general indebtedness of the special district issuing the bond or note, but is a special obligation of the special district and the interest on and principal of the bond or note shall be payable

only from special assessments covenanted to be placed into the special fund or funds, and any special assessment bond guaranty fund the special district has created.

The owner of a special assessment bond or note, or the owner of an interest coupon, shall not have any claim for the payment thereof against the special district arising from the special assessment bond or note, or interest coupon, except for payment from the special fund or funds, the special assessments covenanted to be placed into the special fund or funds, and any special assessment bond guaranty fund the special district has created. The owner of a special assessment bond or note, or the owner of an interest coupon, issued by a special district shall not have any claim against the state, or any county within which all or part of the special district is located, arising from the special assessment bond, note, or interest coupon. The special district issuing the special assessment bond or note shall not be liable to the owner of any special assessment bond or note, or owner of any interest coupon, for any loss occurring in the lawful operation of its special assessment bond guaranty fund.

The substance of the limitations included in this subsection shall be plainly printed, written, engraved, or reproduced on: (a) Each special assessment bond or note that is a physical instrument; (b) the official notice of sale; and (c) each official statement associated with the bonds or notes.

[1987 c 298 § 5; 1986 c 278 § 19.]

NOTES:

Severability—1986 c 278: See note following RCW 36.01.010.

RCW 85.38.250

Special assessment bonds—Guaranty fund.

The governing body of a special district issuing special assessment bonds or notes may create and pay money into a special assessment bond guaranty fund to guaranty special assessment bonds and notes issued by the special district. A portion of the special assessments collected by a special district may be placed into its special assessment bond guaranty fund.

[1986 c 278 § 20.]

NOTES:

Severability—1986 c 278: See note following RCW 36.01.010.

RCW 85.38.260

Special assessment bonds—Refunding.

A special district may issue funding or refunding special assessment bonds or notes to refund outstanding bonds or notes. Such funding or refunding bonds or notes shall be subject to the provisions of law governing other special assessment bonds or notes.

[1986 c 278 § 21.]

NOTES:

Severability—1986 c 278: See note following RCW 36.01.010.

RCW 85.38.270

Special assessment bonds issued prior to July 1, 1986.

Special assessment bonds or notes issued by a special district prior to July 1, 1986, shall continue to be retired and be subject to the laws under which they were issued.

[1986 c 278 § 22.]

NOTES:

Severability—1986 c 278: See note following RCW 36.01.010.

RCW 85.38.280

Cooperative watershed management.

In addition to the authority provided throughout this title, diking, drainage, sewerage improvement, and similar districts organized pursuant to this title may participate in and expend revenue on cooperative watershed management actions, including watershed management partnerships under RCW 39.34.210 and other intergovernmental agreements, for purposes of water supply, water quality, and water resource and habitat protection and management.

[2003 c 327 § 17.]

NOTES:

Finding—Intent—2003 c 327: See note following RCW 39.34.190.

RCW 85.38.290

Flood control districts—Three or more counties—Governing body.

The following provisions apply to the governing bodies of flood control districts that, upon creation, have territory in three or more counties:

(1) The governing body shall include one member from each county with territory in the district, and two additional members selected as provided by this section. No more than two governing members may be from the same county.

(2) The initial members of the governing body must be chosen by each county legislative authority within which the district resides, with each county choosing one member, and the two counties with the largest populations within the district choosing one additional member each. The initial governing body members shall serve until their successors are elected and qualified at the next special district general election.

(3) At this first election, the members receiving the two greatest number of votes shall serve six-year terms, the members receiving the third and fourth greatest number of votes shall serve four-year terms, and the remaining members shall serve two-year terms of office.

(4) The requirements for the filing period, method for filing declarations of candidacy, and the arrangement of candidate names on the ballot for all special district general elections conducted after the initial election in the district shall be the same as the requirements for the initial election in the district. No primary elections may be held for the governing body of a flood control district that, upon creation, has territory in three or more counties.

(5) A vacancy occurs upon the death, resignation, or incapacity of a governing body member, or whenever the governing body member ceases to be a registered voter of the district.

(6)(a) Whenever a vacancy occurs in the governing body, the legislative authority of the county within which the largest geographic portion of the district is located shall appoint a registered voter to serve until a person is elected, at the next special district general election occurring sixty or more days after the vacancy has occurred, to serve the remainder of the unexpired term. The person so elected shall take office immediately when qualified as defined in RCW 29A.04.133.

(b) If an election for the position that became vacant would otherwise have been held at this special district general election, only one election shall be held and the person elected to fill the succeeding term for that position shall take office immediately when qualified as defined in RCW 29A.04.133 and shall serve both the remainder of the unexpired term and the succeeding term.

(7) An elected or appointed member of the governing body, or a candidate for the governing body, must be a registered voter of the flood control district who has resided within the district for [a] period of not less than thirty days before the election. In accordance with RCW 85.38.127, land ownership is not a requirement for serving on the governing body of the district.

[2010 c 131 § 2.]

RCW 85.38.901

Construction—Chapter applicable to state registered domestic partnerships—2009 c 521.

For the purposes of this chapter, the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally to state registered domestic partnerships or individuals in state registered domestic partnerships as well as to marital relationships and married persons, and references to dissolution of marriage shall apply equally to state registered domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law. Where necessary to implement chapter 521, Laws of 2009, gender-specific terms such as husband and wife used in any statute, rule, or other law shall be construed to be gender neutral, and applicable to individuals in state registered domestic partnerships.

[2009 c 521 § 196.]



Mary Hall AUDITOR

February 8, 2021

Rachael Rapp
Pacifica Law Group LLP
1191 2nd Ave STE 2000
Seattle, WA 98101

RE: Black Lake Special District, Thurston County, Washington
Special Obligation Bond, 2021 (Taxable)

Dear Rachael Rapp,

Please find the requested certificate of incumbency enclosed.
If you have any questions or concerns, please do not hesitate to contact me directly.

Sincerely,

Cathleen Bright
Executive Assistant to Thurston County Auditor Mary Hall
2000 Lakeridge Drive SW, MS B1-1AU
Olympia, WA 98502-6090
Cathleen.Bright@co.thurston.wa.us
Desk: 360.786.5053

Elections

2000 Lakeridge Dr. SW, Rm. 118
Olympia WA, 98502
Phone: (360) 786-5408
Fax: (360) 756-5223

Ballot Processing Center

2905 29th Avenue SW, Ste E & F
Olympia, WA 98502
Phone: (360) 756-5408
Fax: (360) 705-3518

Financial Services

929 Lakeridge Dr. SW, Rm. 226
Olympia, WA 98502
Phone: (360) 756-5402
Fax: (360) 357-2481

Licensing and Recording

2000 Lakeridge Dr. SW, Rm. 106
Olympia, WA 98502
Licensing phone: (360) 756-5406
Recording Phone: (360) 786-5405



Mary Hall
AUDITOR

Incumbency Certificate

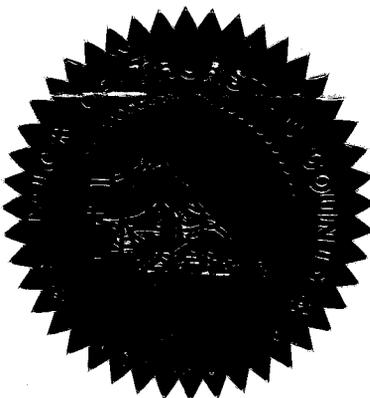
I, Mary Hall, County Auditor of the County of Thurston, Washington do hereby certify that the following is a true and correct list of the board members of the Black Lake Special District and their terms of office:

- Pos. No. 1: Vernon Bonfield 4 year term ends in 2022
- Pos. No. 2: Vernon (Lake) Stintzi 4 year term ends in 2026
- Pos. No. 3: Brian Wilmovsky 4 year term ends in 2024

Dated this 8 day of February 2021.



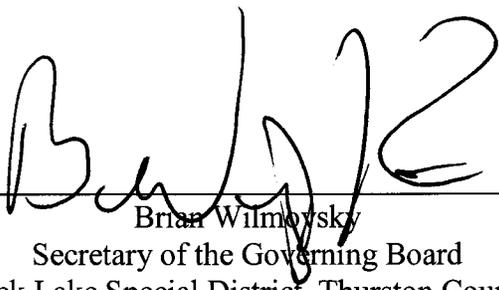
Mary Hall, Thurston County Auditor



CERTIFICATE

I, BRIAN WILMOVSKY, the duly qualified Secretary of the Governing Board (the “Board”) of the Black Lake Special District, Thurston County, Washington (the “District”), DO HEREBY CERTIFY that the attached is a true and correct copy of the minutes of the meeting(s) of the Board reflecting the election of Lake Stintzi as Chair of the Board, Vernon Bonfield as Vice-Chair of the Board, and my appointment as Secretary of the Board.

DATED as of this 19th day of March, 2021.



Brian Wilmovsky
Secretary of the Governing Board
Black Lake Special District, Thurston County,
Washington



BLACK LAKE SPECIAL DISTRICT

BLACK LAKE SPECIAL DISTRICT MEETING
Friday, October 28, 2016 • 5:00 pm • 2637 12Th Court SW, Olympia, WA 98502

AGENDA

1. Roll Call & Call to Order – **Commissioner Stintzi called the meeting to order at 5:14 pm.**

Present: Vern Bonfield
Lake Stintzi
Brian Wilmovsky

2. Approval of Agenda – **It was moved, second, passed unanimously to approve the agenda as presented.**
3. Appointment of Officers (RCW 86.09.259) – **It was moved, second, passed unanimously to approve the slate of officers as presented.**
 - a. Chairman – Commissioner Lake Stintzi
 - b. Vice-Chairman – Vernon Bonfield
 - c. Secretary – Brian Wilmovsky
4. Adjournment of Public Meeting – **Commissioner Stintzi adjourned the meeting at 5:15 pm.**

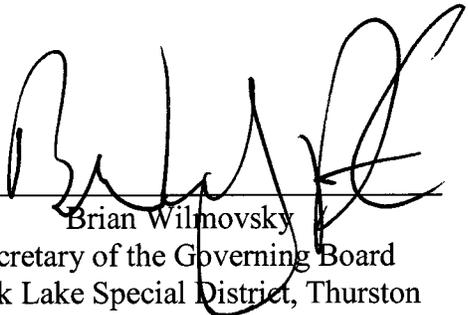
Next Meetings:

Work Session, Thursday, November 7, 5:30 pm (OrgSupport office)
Regular & Annual Meeting, Thursday, November 21, 5:30pm (Black Lake Bible Camp)

CERTIFICATE

I, BRIAN WILMOVSKY, the duly qualified Secretary of the Governing Board (the “Board”) of the Black Lake Special District, Thurston County, Washington (the “District”), do hereby certify that the attached is a true and correct copy of the proceedings of the Board establishing the date, time and place for regular meetings of the Board.

Dated this 19th day of March, 2021.



Brian Wilmovsky
Secretary of the Governing Board
Black Lake Special District, Thurston
County, Washington



BLACK LAKE SPECIAL DISTRICT

Black Lake Special District Special Meeting
Monday, March 1, 2021 • Via Teleconference

MINUTES:

1. Call to Order – **Chair Stintzi called the meeting to order at 6:20pm**
2. Roll Call
 - a. Present
 - i. Lake Stintzi
 - ii. Vernon Bonfield
 - iii. Brian Wilmovsky
3. Approval of Agenda – **It was moved, seconded, and passed unanimously to approve the agenda with Item “Status of Alum Project” moved to agenda item number 7 and “Regular Meeting Schedule” moved to item number 6.**
4. Public Communication – None.
5. Approval of Consent Agenda – **It was moved, seconded, and passed unanimously to approve the Consent Agenda as presented.**

Attachments:

February 8, 2021 Minutes
02_26_2021 Payment Voucher Transmittal
Herrera Invoice #48206
OrgSupport Invoice #4003
GeoData Invoice #38-2102-418

6. Regular Meeting Schedule – **The final 2020 meeting schedule was for the third Monday of each Month. It was moved, second, passed unanimously to set the 2021 regular meeting schedule for the third Monday of each month.**
7. Status of Alum Project – Deanna Gregory, BLSO Bond Counsel, reported she continues to provide background materials and information to the prospective lender. Consensus of Commissioners is that Ms. Gregory may contact Heather Burgess to include her in managing any project needs.
8. Items from the Floor – None.
9. Adjournment of Public Meeting – **With no further business Chair Stintzi adjourned the meeting at 7:00 pm.**

Next Meeting: March 15, 2021 Regular Meeting

ORDINANCE NO. 15930

An ORDINANCE approving and adopting the roll of special assessments for the Black Lake Special District.

WHEREAS, Thurston County, in accordance with the provisions of RCW 85.38.160, received a petition from the legislative authority of the Black Lake Special District, requesting that Thurston County prepare and adopt a system of special assessment for 179 lakefront owners, to generate \$103,000 in annual revenue, for a 20-year period.

WHEREAS, a system of special assessment meeting the intent of the Black Lake Special District request was created; and

WHEREAS, pursuant to RCW 85.38.160 (3), a public hearing was held on July 28, 2020, to hear objections to the system of special assessment; and

WHEREAS, pursuant to RCW 85.38.160 (2), notice of the public hearing was mailed to the owner of parcels subject to the special assessment.

NOW, THEREFORE, the Board of County Commissioners of Thurston County, Washington, does ordain as follows:

Section 1. Adoption of Roll of Special Assessments for Black Lake Special District. The roll of special assessments for Black Lake Special District, attached hereto as Exhibit A and incorporated by reference as though set forth in full, is hereby approved and adopted.

Section 2. Review The system of assessment for Black Lake Special District district shall be reviewed by the county engineer and finalized by the county legislative authority at least once every four years. A system or systems of assessment shall be finalized on or before the first of September in the year that it is finalized.

Section 3. Duration. This ordinance shall take effect January 1, 2021 and expire on December 31, 2040.

Section 4. Severability. If any section, clause or provision of this Ordinance is declared by the courts to be invalid, the same shall not affect the validity of this Ordinance as a whole or any part thereof, other than the part so declared to be invalid.

ADOPTED: September 29, 2020

ATTEST:
[Signature]
Clerk of the Board

BOARD OF COUNTY COMMISSIONERS
Thurston County, Washington

[Signature]

Chair

[Signature]

Vice-Chair

APPROVED AS TO FORM:
JON TUNHEIM
PROSECUTING ATTORNEY

By: [Signature]
Elizabeth Petrich
Deputy Prosecuting Attorney

Voted NOVA
Commissioner [Signature]

Black Lake Special District Current and Proposed Rates and Charges

Lake Front Parcels	Current rates and charges	Proposed special assessment	Total Charges
12706440400	24,568.00	17735.89	42,303.89
12706410300	12,371.00	8930.75	21,301.75
12832231000	7,843.00	5661.94	13,504.94
42060100000	4,757.00	3434.13	8,191.13
42060200000	4,757.00	3434.13	8,191.13
12832230500	4,160.00	3003.15	7,163.15
46880200000	3,200.00	2310.11	5,510.11
12706141200	2,846.00	2054.56	4,900.56
12706410101	2,846.00	2054.56	4,900.56
12831341400	2,796.00	2018.46	4,814.46
09860024001	2,486.00	1794.67	4,280.67
46500000600	1,862.00	1344.20	3,206.20
12832221100	1,539.00	1111.02	2,650.02
35330003300	1,394.00	1006.34	2,400.34
35330001200	1,268.00	915.38	2,183.38
12707110300	1,069.00	771.72	1,840.72
12832221000	1,029.00	742.85	1,771.85
12707220301	979.00	706.75	1,685.75
09860034000	949.00	685.09	1,634.09
12832221001	936.00	675.71	1,611.71
12706110702	924.00	667.05	1,591.05
12707110100	842.00	607.85	1,449.85
12832230800	840.00	606.40	1,446.40
12832210700	758.00	547.21	1,305.21
12831410100	756.00	545.76	1,301.76
12706141100	755.00	545.04	1,300.04
12706440102	716.00	516.89	1,232.89
12831341200	672.00	485.12	1,157.12
12831340800	666.00	480.79	1,146.79
09860003000	646.00	466.35	1,112.35
09860033000	637.00	459.86	1,096.86
39140000100	637.00	459.86	1,096.86
09860009000	635.00	458.41	1,093.41
58210002200	630.00	454.80	1,084.80
12831311300	629.00	227.04	856.04
12831310202	620.00	447.58	1,067.58
12707110501	605.00	436.76	1,041.76
12706440100	596.00	430.26	1,026.26
12831441902	588.00	424.48	1,012.48
09860001004	588.00	424.48	1,012.48
12831130200	558.00	402.83	960.83
12831110900	550.00	397.05	947.05
12831441203	539.00	389.11	928.11
12831441500	538.00	388.39	926.39
12706110703	538.00	388.39	926.39
12706440103	531.00	383.33	914.33

77700100000	529.00	381.89	910.89
12831441700	527.00	380.45	907.45
12831130101	526.00	379.72	905.72
12831442000	517.00	373.23	890.23
09860001003	504.00	363.84	867.84
09860025000	504.00	363.84	867.84
12831410600	504.00	363.84	867.84
12707220500	500.00	360.96	860.96
12831110100	499.00	360.23	859.23
58210100000	471.00	340.02	811.02
12831410200	470.00	339.30	809.30
12831410300	470.00	339.30	809.30
09860001002	463.00	334.24	797.24
12706110102	462.00	333.52	795.52
12831311100	462.00	333.52	795.52
12831441901	462.00	333.52	795.52
12831130108	458.00	330.63	788.63
77701200000	449.00	324.14	773.14
77701400000	449.00	324.14	773.14
12706440300	441.00	318.36	759.36
12706440700	441.00	318.36	759.36
12706110300	438.00	316.20	754.20
12831311400	438.00	316.20	754.20
12831311500	438.00	316.20	754.20
77701300000	424.00	306.09	730.09
57580000100	422.00	304.65	726.65
12707220700	420.00	303.20	723.20
77700700000	420.00	303.20	723.20
12831110300	415.00	299.59	714.59
12831441400	413.00	298.15	711.15
12831441600	413.00	298.15	711.15
12706440600	410.00	295.98	705.98
12831410800	410.00	295.98	705.98
12831111100	405.00	292.37	697.37
12831121000	405.00	292.37	697.37
46880036000	399.00	288.04	687.04
12706140901	399.00	288.04	687.04
12706440101	399.00	288.04	687.04
09860032000	391.00	282.27	673.27
12706140800	391.00	282.27	673.27
12831311800	386.00	278.66	664.66
12706440501	384.00	277.21	661.21
12832210400	378.00	272.88	650.88
12832210500	378.00	272.88	650.88
09860030000	378.00	272.88	650.88
12832230300	375.00	270.72	645.72
12831311600	368.00	265.66	633.66

12706140200	368.00	265.66	633.66
09860037000	367.00	264.94	631.94
12831341500	356.00	257.00	613.00
77700500000	353.00	254.83	607.83
12707220400	352.00	254.11	606.11
12707220600	352.00	254.11	606.11
12831240301	350.00	252.67	602.67
12831441201	348.00	251.22	599.22
12707110502	344.00	248.34	592.34
12831110700	343.00	247.62	590.62
09860024004	342.00	246.89	588.89
12831130103	336.00	242.56	578.56
12832230100	336.00	242.56	578.56
46880035800	336.00	242.56	578.56
46880035900	336.00	242.56	578.56
58210002000	336.00	242.56	578.56
77700200100	336.00	242.56	578.56
12832210600	334.00	241.12	575.12
12831441800	333.00	240.40	573.40
57580000300	326.00	235.34	561.34
12831110901	323.00	233.18	556.18
12831130102	323.00	233.18	556.18
12706140300	319.00	230.29	549.29
12831130104	319.00	230.29	549.29
46880035700	319.00	230.29	549.29
12831311200	319.00	230.29	549.29
12832230200	318.00	229.57	547.57
09860024005	311.00	224.51	535.51
12707110500	303.00	218.74	521.74
12707220101	298.00	215.13	513.13
46880035100	298.00	215.13	513.13
46880035500	298.00	215.13	513.13
46880035600	298.00	215.13	513.13
12831110400	297.00	214.41	511.41
09860027000	294.00	212.24	506.24
12706140801	294.00	212.24	506.24
12706440800	288.00	207.91	495.91
12706110100	287.00	103.59	390.59
09860028000	282.00	203.58	485.58
12831342000	282.00	203.58	485.58
12831110600	276.00	199.25	475.25
77700400100	273.00	197.08	470.08
09860006000	271.00	195.64	466.64
12831110500	271.00	195.64	466.64
09860029000	270.00	194.92	464.92
46880035300	269.00	194.19	463.19
12707220102	268.00	193.47	461.47

12706140400	260.00	187.70	447.70
46880035200	258.00	186.25	444.25
57580000200	254.00	183.37	437.37
58160704000	252.00	181.92	433.92
58160704100	252.00	181.92	433.92
77701100000	246.00	88.79	334.79
77701000100	244.00	176.15	420.15
12831311000	241.00	173.98	414.98
12831341900	240.00	173.26	413.26
77700400000	240.00	173.26	413.26
77700300100	239.00	172.54	411.54
12831111000	233.00	168.21	401.21
12832230400	231.00	83.38	314.38
12831442100	228.00	164.60	392.60
09860010000	223.00	160.99	383.99
77700800000	218.00	157.38	375.38
77700800100	218.00	157.38	375.38
12706141000	212.00	153.04	365.04
77700600000	210.00	75.80	285.80
12706140902	210.00	151.60	361.60
77701000000	210.00	151.60	361.60
46880035400	197.00	142.22	339.22
12831342100	193.00	139.33	332.33
12831311700	187.00	135.00	322.00
12707110400	179.00	129.22	308.22
12706140500	176.00	127.06	303.06
12706140600	176.00	127.06	303.06
12706140700	176.00	127.06	303.06
12831410500	170.00	122.72	292.72
12706110200	164.00	118.39	282.39
12832231001	162.00	116.95	278.95
12831130106	160.00	57.75	217.75
12831130500	160.00	57.75	217.75
09860031000	160.00	57.75	217.75
12831130304	145.00	104.68	249.68
12831411000	105.00	75.80	180.80
12831130201	90.00	32.49	122.49
12831111200	73.00	52.70	125.70
57580000000	65.00	46.92	111.92

ORDINANCE NO. 15941

An ORDINANCE authorizing the Black Lake Special District to issue a \$1.4 million bond.

WHEREAS, Thurston County, in accordance with the provisions of RCW 85.38.160, received a petition from the legislative authority of the Black Lake Special District, requesting that Thurston County prepare and adopt a system of special assessment for 179 lakefront owners, to generate \$103,000 in annual revenue, for a 20-year period to fund a \$1.4 million bond; and

WHEREAS, a system of special assessment meeting the intent of the Black Lake Special District request was created; and

WHEREAS, pursuant to RCW 85.38.160 (3), a public hearing was held on July 28, 2020, to hear objections to the system of special assessment; and

WHEREAS, pursuant to RCW 85.38.160 (2), notice of the public hearing was mailed to the owner of parcels subject to the special assessment; and

WHEREAS, Thurston County Board of County Commissioners (Board) adopted Ordinance No. 15930 approving the roll of special assessments for the Black Lake Special District on September 29, 2020; and

Whereas, the Board is prepared to authorize the Black Lake Special District to issue a 1.4 million bond pursuant to RCW 85.38.230, which will be funded by the special assessments adopted by the Board through Ordinance No. 15930.

NOW, THEREFORE, the Board of County Commissioners of Thurston County, Washington, does ordain as follows:

The Black Lake Special District is authorized to issue a \$1.4 million bond which will be funded by a system of special assessment for 179 lakefront owners, to generate \$103,000 in annual revenue, for a 20-year period.

ADOPTED: November 10, 2020

ATTEST:

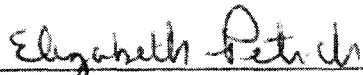
Clerk of the Board

BOARD OF COUNTY COMMISSIONERS
Thurston County, Washington


Chair

APPROVED AS TO FORM:
JON TUNHEIM
PROSECUTING ATTORNEY


Vice-Chair

By: 
Deputy Prosecuting Attorney


Commissioner

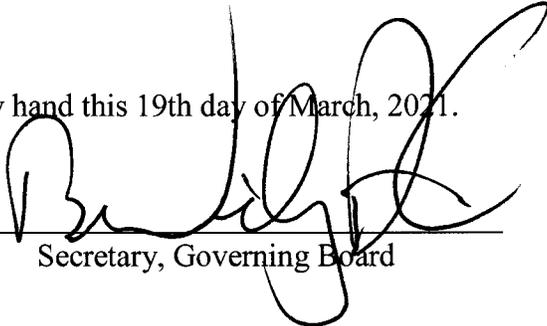
CERTIFICATE

I, the undersigned, Secretary of the Governing Board of the Black Lake Special District, Thurston County, Washington (the "District"), and keeper of the records of the Governing Board (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 21-01 of the Board (the "Resolution"), duly adopted at a special meeting thereof held on the 15th day of March, 2021.

2. That said meeting was duly convened and held in all respects in accordance with law, including but not limited to Washington State Governor Inslee's emergency proclamation No. 20-28 issued on March 24, 2020, as amended and supplemented, temporarily suspending portions of the Open Public Meetings Act (chapter 42.30 RCW), and to the extent required by 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 Board 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 19th day of March, 2021.


Secretary, Governing Board

BLACK LAKE SPECIAL DISTRICT,
THURSTON COUNTY, WASHINGTON

SPECIAL ASSESSMENT BOND, 2021 (TAXABLE)

RESOLUTION NO. 21-01

A RESOLUTION of the Governing Board of Black Lake Special District, Thurston County, Washington, providing for the issuance and sale of a special assessment bond of the District in the principal amount of not to exceed \$1,400,000 to finance costs of improving, treating and restoring Black Lake; providing the form of the bond; and approving the sale of the bond to Kitsap Bank.

APPROVED ON MARCH 15, 2021

PREPARED BY:

PACIFICA LAW GROUP LLP
SEATTLE, WASHINGTON

RESOLUTION NO. 21-01

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* This Table of Contents and the cover page are not a part of the following resolution and are included only for the convenience of the reader.

RESOLUTION NO. 21-01

A RESOLUTION of the Governing Board of Black Lake Special District, Thurston County, Washington, providing for the issuance and sale of a special assessment bond of the District in the principal amount of not to exceed \$1,400,000 to finance costs of improving, treating and restoring Black Lake; providing the form of the bond; and approving the sale of the bond to Kitsap Bank.

WHEREAS, Black Lake Special District, Washington (the “District”), is a special district formed in Thurston County (the “County”) pursuant to chapter 85.38 of the Revised Code of Washington (“RCW”) for the purpose of engaging in restoration, aquatic plant control, and water quality enhancement activities at Black Lake (the “Lake”); and

WHEREAS, pursuant to RCW 85.38.230, a special district may issue special assessment bonds or notes to finance costs related to providing, improving, expanding or enlarging improvements and facilities if the county legislative authority within which all or the major part of the special district is located authorizes the issuance of such bonds or notes; and

WHEREAS, the decision of a county legislative authority authorizing an issue of special assessment bonds or notes constitutes a discretionary function, and does not give rise to a cause of action against the county, county legislative authority, or any member of the county legislative authority; and

WHEREAS, pursuant to RCW 85.38.160 and Ordinance No. 15930 adopted by the Board of County Commissioners (the “County Commissioners”) on September 29, 2020 (the “Assessment Ordinance”), the County approved and adopted a system of special assessments for the District, to remain in effect until December 31, 2040, for the purpose of paying for the construction, repair and maintenance of District facilities and for District operations; and

WHEREAS, pursuant to RCW 85.38.230 and Ordinance No. 15941 adopted by the County Commissioners on November 10, 2020 (the “Authorizing Ordinance”), the County Commissioners authorized the District to issue a special assessment bond in an original principal amount of \$1,400,000, to be paid from special assessments imposed by the District for a 20-year period; and

WHEREAS, the Governing Board (the “Board”) of the District now desires to improve, treat, and restore the Lake, including but not limited to alum treatment (the “Project”); and

WHEREAS, RCW 39.46.050 provides that a local government authorized to issue bonds may establish a line of credit with any qualified depository to be drawn upon in exchange for its bonds; and

WHEREAS, after due consideration the Board has determined that it is in the best interest of the District to authorize the issuance and sale of a special assessment bond (the “Bond”) in the principal amount of not to exceed \$1,400,000 to evidence a non-revolving line of

credit in order to provide funds necessary to pay or reimburse the District for all or a portion of the costs of the Project, and to pay costs of issuance, as set forth herein; and

WHEREAS, the District has received a proposal from Kitsap Bank (the “Lender”) to purchase the Bond in the amount of not to exceed \$1,400,000, in the form attached hereto as Exhibit A; and

WHEREAS, it is deemed necessary and advisable that the District accept the Lender’s offer as set forth herein;

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE BLACK LAKE SPECIAL DISTRICT, THURSTON COUNTY, WASHINGTON as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings:

Assessment Ordinance means Ordinance No. 15930 adopted by the County Commissioners on September 29, 2020.

Assessments mean the special assessments imposed by the District pursuant to the System of Assessment.

Authorizing Ordinance means Ordinance No. 15941 adopted by the County Commissioners on November 10, 2020.

Banking Day means any business day on which the Lender is open and accepting banking transactions.

Board means the duly constituted Governing Board as the general legislative authority of the District.

Bond means the Special Assessment Bond, 2021 (Taxable) of the District, authorized to be issued by the District pursuant to this resolution and the Authorizing Ordinance.

Bond Fund means the special fund of the District designated as the “Black Lake Special District Bond Redemption Fund” and authorized to be created pursuant to this resolution.

Bond Register means the registration records for the Bond maintained by the Bond Registrar.

Bond Registrar means the fiscal agency of the state of Washington, currently U.S. Bank National Association, whose duties include registering and authenticating the Bond, maintaining the Bond Register, transferring ownership of the Bond, and, if requested by the District, paying the principal of and interest on the Bond.

Closing means the date of delivery of the Bond to the Lender.

County means Thurston County, Washington.

County Commissioners means the Board of County Commissioners of the County, as the legislative authority of the County.

Designated Representative means the Chair of the Board, and his or her designee, and such other person as may be designated by the Board to act for the District for the purposes of this resolution, including for the submission of a Request for Draw. The signature of one Designated Representative shall be sufficient to bind the District.

Draw Period means the time period beginning on the Closing and continuing to and including May 31, 2021, or on such earlier date as the District may determine as provided herein.

District means the Black Lake Special District, Thurston County, Washington, duly organized and existing under and by virtue of the laws of the State.

General Fund means the special fund of the District of that name created in the office of the Treasurer.

Guaranty Fund means the special fund of the District designated as the “Black Lake Special District Guaranty Fund” created and maintained pursuant to RCW 85.38.250 and this resolution.

Guaranty Fund Requirement means an amount equal to \$100,000.

Interest Rate means a fixed rate of interest of 4.00% per annum.

Lake means Black Lake located in the County.

Lender means Kitsap Bank, as the initial Registered Owner of the Bond, and the permitted assigns thereof.

Maturity Date means the date that is approximately 20 years from the Closing, as set forth in the Bond.

Project means improving, treating, and restoring the Lake, including but not limited to alum treatment.

Permitted Investment means any investment permissible for the investment of public funds of a special district under State law.

Proposal means the proposal letter submitted by the Lender substantially in the form attached hereto as Exhibit A.

Repayment Period means the time period beginning on the date immediately following the final day of the Draw Period and ending on the date when the Bond is paid (or prepaid) in full. In all cases the Repayment Period shall begin no later than six months after the Closing.

Registered Owner means the person in whose name the Bond is registered on the Bond Register.

Request for Draw means a written request signed by a Designated Representative for a draw on the Bond, in substantially the form set forth in Exhibit B attached hereto.

State means the State of Washington.

System of Assessment means the system of assessment set forth in the Assessment Ordinance, as the County may from time to time modify or finalize such system of assessment pursuant to RCW 85.38.160.

Treasurer means the Thurston County Treasurer, as *ex officio* treasurer of the District, or any successor to the functions of such official.

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 any gender shall mean and include correlative words of all 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 limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several 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; and

(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 the Project. The Board hereby authorizes the District to improve, treat and restore the Lake, including but not limited to alum treatment (the “Project”). The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses and other costs incurred in connection with the Project shall be deemed a part of the Project.

Section 3. Authorization of Bond.

(a) ***Authorization of the Bond.*** For the purpose of financing costs of the Project and paying costs of issuing the Bond, the District shall establish a non-revolving line of credit. To evidence such non-revolving line of credit, the District shall issue and sell its special assessment bond in the principal amount of not to exceed \$1,400,000 (the “Bond”). The Bond shall be designated the “Black Lake Special District, Thurston County, Washington, Special Assessment

Bond, 2021 (Taxable),” with such additional designation as may be approved by the Designated Representative. The Bond shall be dated as of its date of delivery to the Lender, shall be fully registered as to both principal and interest, shall be in one denomination, and shall mature on the Maturity Date.

(b) *Draws on the Bond.* The District may make draws on the Bond during the Draw Period pursuant to the terms of this resolution. Each draw must be made on a Banking Day pursuant to a Request for Draw and in a minimum amount of \$50,000. The aggregate principal amount of all draws made on the Bond shall not exceed \$1,400,000. After the Draw Period, no further Requests for Draw may be submitted. The District shall maintain, or caused to be maintained, records of amounts drawn on the Bond. The Board hereby delegates to the Designated Representative the authority to make written Requests for Draw pursuant to the terms of this resolution.

(c) *Interest Rate during Draw Period.* During the Draw Period, and except as provided herein, the outstanding principal amount of all draws made on the Bond pursuant to Requests for Draw shall bear interest at the Interest Rate. Interest shall accrue from the date the draw is made and shall be calculated on the basis of the actual number of days elapsed and a 360-day year. No payments of interest or principal shall be due during the Draw Period.

(d) *Interest Rate during Repayment Period; Payment Dates.* During the Repayment Period, the outstanding principal amount of all draws made on the Bond shall bear interest at the Interest Rate. Interest shall be calculated from the first day of the Repayment Period on the basis of a 360-day year consisting of twelve 30-day months.

Principal of and interest on the Bond shall be payable semi-annually during the Repayment Period on each June 1 and December 1, commencing June 1, 2021, until maturity or early prepayment of the Bond, in accordance with the hereinafter described amortization schedule.

No later than the seventh (7th) Banking Day after the conclusion of the Draw Period, the Lender shall provide to the District an amortization schedule showing the principal and interest payments due on the Bond during the Repayment Period. The amortization schedule shall be established to fully amortize during the Repayment Period the aggregate principal amount of all draws made on the Bond during the Draw Period in accordance with the terms of the Bond and this resolution. All unpaid interest and outstanding principal shall be due and payable on the Maturity Date.

(e) *No Acceleration.* The Bond shall not be subject to acceleration prior to maturity.

(f) *Special Limited Obligation.* The Bond shall not constitute a general obligation of the District, but shall be a special, limited obligation of the District payable only from Assessments deposited into the Bond Fund and amounts deposited into the Guaranty Fund. The Registered Owner shall not have any claim for the payment of the principal of or interest on the Bond against the District, except for payment from the Bond Fund, the Assessments covenanted to be placed into the Bond Fund, and the Guaranty Fund. The District shall not be liable to the Registered Owner for any loss occurring in the lawful operation of the Guaranty Fund.

The Bond shall not constitute an indebtedness of the State, either general or special, nor of the County, either general or special. The Registered Owner shall not have any claim against the State or the County arising from the Bond.

The full faith and credit of the District is not pledged to the repayment of the Bond.

Section 4. Registration, Exchange and Payments.

(a) *Registrar/Bond Registrar.* U.S. Bank National Association, as fiscal agency of the state of Washington, is hereby appointed to act as transfer agent, paying agent and registrar for the Bond (the “Bond Registrar”). The Bond Registrar shall keep, or cause to be kept, sufficient records for the registration and transfer of the Bond. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this resolution, to serve as the District’s paying agent for the Bond, if requested by the District, and to carry out all of the Bond Registrar’s powers and duties under this resolution.

(b) *Registered Ownership.* The District and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of the Bond as the absolute owner for all purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary. Payment of the Bond shall be made only as described in subsection (d) below. All such payments made as described in subsection (d) below shall be valid and shall satisfy the liability of the District upon the Bond to the extent of the amount so paid.

(c) *Transfer or Exchange of Registered Ownership.* The Bond shall not be transferrable without the prior written consent of the District unless (i) the Registered Owner’s corporate name is changed and the transfer is necessary to reflect such change; (ii) the transferee is a successor in interest of the Registered Owner by means of a corporate merger, an exchange of stock, or a sale of assets; or (iii) the transferee is a “qualified institutional buyer” as defined under Rule 144A promulgated under the Securities Act of 1933, and such transferee executes a purchaser’s letter in the form acceptable to Bond Counsel of the District. Any Bond presented or surrendered for transfer or exchange shall contain, or be accompanied by, all necessary endorsements for transfer. Any transfer of the Bond which fails to comply with this provision shall be null and void.

(d) *Place and Medium of Payment.* Both principal of and interest on the Bond shall be payable to the Registered Owner in lawful money of the United States of America. Principal on the Bond shall be payable by check or warrant or by other means mutually acceptable to the Registered Owner and the District. Interest on the Bond shall be payable as provided in this resolution. Upon final payment of principal of and interest on the Bond, the Registered Owner shall surrender such Bond for cancellation at the office of the Bond Registrar.

Section 5. Form of Bond. The Bond shall be in substantially the form set forth in Exhibit C, which is incorporated herein by this reference.

Section 6. Execution of Bond. The Bond shall be executed on behalf of the District with the facsimile or manual signatures of the Chair and Secretary of the Board.

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

Only such Bond as shall bear thereon a Certificate of Authentication in the form set forth in Exhibit C, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution. Such Certificate of Authentication shall be conclusive evidence that the Bond so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this resolution.

Section 7. Establishment of Bond Fund and Guaranty Fund; Security for the Bond.

(a) *Bond Fund.* The Treasurer is hereby authorized and directed to establish a special fund of the District to be known and designated as the “Black Lake Special District Bond Redemption Fund” (the “Bond Fund”). The Bond Fund shall be a trust fund and shall be drawn upon only for the payment of the principal of and interest on the Bond. The District may invest funds in the Bond Fund in any Permitted Investment, and the investment earnings shall be retained therein and applied to the purposes of the Bond Fund.

(b) *Guaranty Fund.* The Treasurer is hereby authorized and directed to establish a special fund of the District to be known and designated as the “Black Lake Special District Special Assessment Guaranty Fund” (the “Guaranty Fund”) for the purpose of guaranteeing, to the extent of such fund, the payment of the principal of and interest on the Bond. The Guaranty Fund shall be funded and maintained as provided in this paragraph and in Section 8 of this resolution. At Closing, the District shall deposit \$20,000 available funds of the District into the Guaranty Fund. On or prior to each one year anniversary of Closing, the District shall deposit no less than \$20,000 into the Guaranty Fund so that the balance therein is equal to the Guaranty Fund Requirement by the fourth anniversary date of Closing. The District may invest funds in the Guaranty Fund in any Permitted Investment, and the investment earnings shall be retained therein and applied to the purposes of the Guaranty Fund.

(c) *Security and Source of Repayment.* The Bond is a special, limited obligation of the District payable solely from and secured by Assessments deposited into the Bond Fund and amounts deposited into the Guaranty Fund. The District represents and covenants that it will collect Assessments and apply such Assessments to the repayment of the Bond as provided in Section 8 hereof.

The Registered Owner shall not have any claim for the payment of the principal of or interest on the Bond against the District, except for payment from the Bond Fund, the Assessments covenanted to be placed into the Bond Fund, and the Guaranty Fund. The Bond shall not constitute an indebtedness of the State, either general or special, nor of the County,

either general or special. The Registered Owner shall not have any claim against the State or the County arising from the Bond. The full faith and credit of the District is not pledged to the repayment of the Bond. The District has no taxing power.

Section 8. Representations and Covenants. So long as the Bond is outstanding, the District hereby covenants and agrees as follows:

(a) To impose, maintain, budget for and cause to be collected the Assessments and to adjust such Assessments from time to time in accordance with the System of Assessment and the Assessment Ordinance, so that in each year the revenue from the Assessments (net of any collection fees that will be imposed by the County) will be sufficient, together with other funds available in the Bond Fund, to pay when due the principal of and interest on the Bond;

(b) To apply Assessment revenues (net of any collection fees) in the following order of priority:

(1) First, the District shall deposit all Assessment revenues into the Bond Fund, until the amount so deposited during a calendar year equals the sum of the principal of and interest on the Bond coming due in such calendar year; and

(2) Second, the District shall deposit any remaining Assessment revenues received during such calendar year into the Bond Fund or Guaranty Fund to pay or guarantee, respectively, the payment of debt service on the Bond, or into the General Fund to pay costs of the Project or for other lawful purposes of the District, as the Board shall by resolution designate;

(c) To maintain in the Guaranty Fund, from and after the fifth anniversary of the Closing, a balance that is at least equal to the Guaranty Fund Requirement; provided, that the District may draw from the Guaranty Fund to pay debt service on the Bond, in which event the District shall replenish the balance of the Guaranty Fund to the Guaranty Fund Requirement within 12 months of such draw. The District hereby covenants to collect Assessments as necessary and to use such funds, together with other funds of the District legally available for such purpose, to replenish any such deficiency;

(d) To pay all installments of principal of and interest on the Bond when due from amounts available on deposit in the Bond Fund or the Guaranty Fund;

(e) To take, or cause to be taken, all actions necessary to foreclose on any delinquent Assessments at the earliest opportunity available under State law and County ordinances, to pursue such foreclosure actions diligently, and to deposit promptly into the Bond Fund or the Guaranty Fund, as applicable, the sale proceeds and all other payments received as a result of such foreclosure actions;

(f) To provide the Registered Owner a copy of its annual statement of financial condition; and

(g) To provide the Registered Owner such other financial or other information as may be reasonably requested from time to time.

Section 9. Right of Prepayment. The District may prepay the Bond, in whole or in part, and without premium or fee, on any Banking Day. In the event of a partial prepayment of the Bond, the Registered Owner shall promptly provide to the District a new amortization schedule setting forth the amounts of each remaining debt service payment on the Bond to its maturity.

Section 10. Sale of the Bond. The Bond shall be sold to the Lender pursuant to the terms of the Proposal and this resolution. The Proposal is hereby in all respects accepted and approved, and by reference is incorporated herein. The Designated Representative is authorized and directed to execute the Proposal on behalf of the District.

In connection with the issuance of the Bond, the District shall pay (from proceeds of the Bond or available funds of the District) a fee to the Lender of \$750, costs of the Lender's legal counsel (if any), costs of bond counsel to the District, and other costs of issuance.

The District officials, their agents, and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the Bond and for the proper use and application of the proceeds of such sale.

Section 11. Application of Bond Proceeds. Amounts drawn on the Bond shall be deposited into the General Fund and shall be expended solely to finance, refinance, and/or reimburse the District for costs of the Project, to fund the Guaranty Fund, and to pay costs of issuance of the Bond. Proceeds of the Bond may be invested by the Treasurer at the direction of the District in any Permitted Investments.

Section 12. Lost or Destroyed Bond. If the Bond is lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond of like amount, maturity and tenor to the Registered Owner upon the Registered Owner's paying the expenses and charges of the Bond Registrar and the District in connection with preparation and authentication of the replacement Bond and upon his or her filing with the Bond Registrar and the District evidence satisfactory to both that the Bond was actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the District and the Bond Registrar with indemnity satisfactory to both.

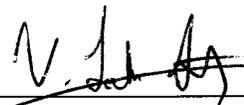
Section 13. General Authorization and Ratification. The appropriate District officials, including but not limited to the Designated Representative, the Board Vice-Chair, the Board Secretary and the Treasurer, are hereby authorized to take any actions and to execute documents as in his or her judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this resolution. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified.

Section 14. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.

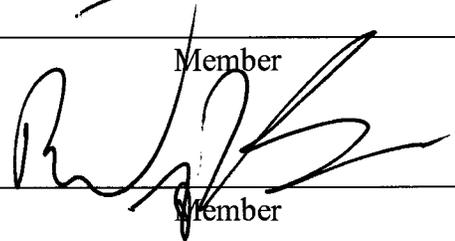
Section 15. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Governing Board of Black Lake Special District, Washington, at an open public meeting thereof, held this 15th day of March, 2021.

BLACK LAKE SPECIAL DISTRICT,
THURSTON COUNTY, WASHINGTON



Member

Member


Member

Exhibit B

Form of Request for Draw

DRAW CERTIFICATE NO. ____

TO: Kitsap Bank
619 Bay Street
Port Orchard, WA 98366
KB-Finance@kitsapbank.com
Fax: 360-876-7801

On behalf of Black Lake Special District, Thurston County, Washington (the "District"), I hereby certify that:

1. I am the Designated Representative of the District, and I am authorized to execute and deliver this Request for Draw on the District's Special Assessment Bond, 2021 (Taxable) (the "Bond") and to make the representations on behalf of the District set forth herein.

2. The amount of this draw is \$_____ (minimum draw of \$50,000) (this "Draw"). Proceeds of this Draw shall be deposited into the General Fund of the District on _____, 20____, account number _____.

3. Proceeds of this Draw shall be used to pay costs of the Project or to pay costs of issuance for the Bond.

4. The aggregate amount of all draws on the Bond, including this Draw, does not exceed \$1,400,000.00.

5. The District is not in breach of any promise or covenant in the Bond or Resolution No. 21-01 authorizing the issuance of the Bond.

Dated this 16 day of March, 2021.

BLACK LAKE SPECIAL DISTRICT,
THURSTON COUNTY, WASHINGTON

By: _____

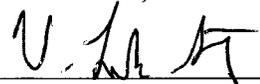

Designated Representative

Exhibit C

Form of Bond

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS BOND IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN THE BOND RESOLUTION DESCRIBED BELOW AND MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO THE TERMS THEREOF.

UNITED STATES OF AMERICA

NO. R-1

Not to exceed \$1,400,000.00

STATE OF WASHINGTON
BLACK LAKE SPECIAL DISTRICT, THURSTON COUNTY, WASHINGTON
SPECIAL ASSESSMENT BOND, 2021 (TAXABLE)

INTEREST RATE: 4.00%
DATED DATE: MARCH __, 2021
MATURITY DATE: _____, 2041
REGISTERED OWNER: KITSAP BANK
PRINCIPAL AMOUNT: NOT TO EXCEED ONE MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS

BLACK LAKE SPECIAL DISTRICT, THURSTON COUNTY, WASHINGTON (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the sum of all Requests for Draw, together with interest thereon at the Interest Rate specified above, on or before the Maturity Date set forth above, in accordance with the terms of this bond and Resolution No. 21-01 adopted by the Governing Board of the District on March 15,, 2021 (the "Bond Resolution"). Capitalized terms used but not defined herein shall have the meanings set forth in the Bond Resolution.

Interest on the outstanding principal amount of this bond shall be payable semiannually on each June 1 and December 1, commencing June 1, 2021, calculated on the basis set forth in the Bond Resolution. Principal payments will be due semiannually on each June 1 and December 1, commencing June 1, 2021, in amounts as described in the principal amortization schedule provided by the Lender in accordance with the Bond Resolution and by this reference incorporated herein.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Principal of and interest on this bond shall be payable by check or warrant or by other means mutually acceptable to the Registered Owner and the District. Upon final

Exhibit A

Copy of Lender's Proposal

(Attached)

payment of principal and interest of this bond, the Registered Owner shall surrender this bond for cancellation at the office of the Bond Registrar in accordance with the Bond Resolution.

This bond is issued pursuant to the Bond Resolution and Ordinance No. 15941 adopted by the Board of County Commissioners of Thurston County, Washington on November 10, 2020, to provide the funds necessary for the improvement, treatment and restoration of Black Lake, including but not limited to alum treatment, and to pay costs of issuance for this bond.

The District may prepay this bond as provided in the Bond Resolution.

The bond is issued as a single, fully registered bond under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington (the "State"), the duly adopted and resolutions duly adopted by the Governing Board of the District.

In accordance with RCW 85.38.240, the District provides the following notice: This bond does not constitute a general obligation of the District, but is a special obligation of the District payable only from Assessments deposited into the Bond Fund and amounts, if any, available on deposit in the Guaranty Fund. The owner of this bond does not have any claim for the payment of the principal of or interest on the bond against the District, except for payment from the Bond Fund, the Assessments covenanted to be placed into the Bond Fund, and the Guaranty Fund. The District will not be liable to the owner of this bond for any loss occurring in the lawful operation of the Guaranty Fund. This bond does not constitute an indebtedness of the State, either general or special, nor of Thurston County, Washington (the "County"), either general or special. The owner of this bond will not have any claim against the State or the County arising from this bond. This bond is not subject to acceleration prior to its maturity. The District has no taxing power.

The District hereby covenants to impose, maintain, budget for and cause to be collected the Assessments and to adjust such Assessments from time to time in accordance with the System of Assessment, so that in each year the revenue from the Assessments (net of any collection fees that will be imposed by the County) will be sufficient, together with other funds available in the Bond Fund, to pay when due the principal of and interest on the Bond. The District hereby covenants and agrees with the Registered Owner that it will keep and perform all the covenants of this bond and the Bond Resolution. The provisions of the Bond Resolution are incorporated herein by this reference.

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.

This bond is issued as a single, fully registered bond under and in accordance with the Constitution and laws of the State, the duly adopted ordinance of the County, and the duly adopted resolution of the District. The principal of this bond shall be paid only to the Registered Owner and to no other person or entity. This bond is transferable only upon compliance with the conditions set forth in the Bond Resolution.

It is hereby certified that all acts, conditions, and things required by the Constitution and statutes of the State to exist, to have happened, been done, and performed precedent to and in the issuance of this bond have happened, been done, and performed.

IN WITNESS WHEREOF, Black Lake Special District, Thurston County, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Chair and Secretary of its Board and as of this ___ day of March, 2021.

BLACK LAKE SPECIAL DISTRICT,
THURSTON COUNTY, WASHINGTON

By _____
Chair, Governing Board

ATTEST:

Secretary, Governing Board

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____, 2021

This bond is the Special Assessment Bond, 2021 (Taxable) described in the within-mentioned Bond Resolution of the Black Lake Special District, Thurston County, Washington.

WASHINGTON STATE FISCAL
AGENCY, as Bond Registrar

By _____

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the District, in the office of U.S. Bank National Association, as bond registrar (the "Bond Registrar"), as to both principal and interest, as noted in the registration blank below. All payments of principal and interest on this bond shall be made from the Bond Fund or the Guaranty Fund, made payable

to the last Registered Owner as shown hereon and on the registration books of the Bond Registrar at his/her/its address noted hereon and on the registration books of the Bond Registrar.

Date of Registration	Name and Address of Registered Owner	Signature of Bond Registrar
_____, 2021	Kitsap Bank 619 Bay Street Port Orchard, WA 98366	_____ Bond Registrar

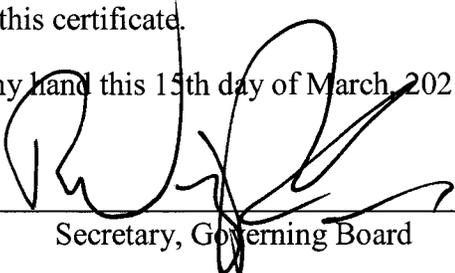
CERTIFICATE

I, the undersigned, Secretary of the Governing Board of Black Lake Special District, Washington (the "District"), and keeper of the records of the Governing Board (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 21-01 of the Board (the "Resolution"), duly adopted at a meeting thereof held on the 15th day of March, 2021.

2. That said meeting was duly convened and held in all respects in accordance with law, including but not limited to Washington State Governor Inslee's emergency proclamation No. 20-28 issued on March 24, 2020, as amended and supplemented, temporarily suspending portions of the Open Public Meetings Act (chapter 42.30 RCW), and to the extent required by 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 Board 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 15th day of March, 2021.


Secretary, Governing Board

CERTIFICATE

I, BRIAN WILMOVSKY, the duly qualified Secretary of the Governing Board (the “Board”) of the Black Lake Special District, Thurston County, Washington, do hereby certify that the attached is a full, true and correct copy of the minutes of the March 15, 2021 meeting of the Board which reflects the adoption of Resolution No. 21-01.

Dated this 19th day of March, 2021.



Brian Wilmovsky
Secretary of the Governing Board
Black Lake Special District, Thurston
County, Washington



BLACK LAKE SPECIAL DISTRICT

Black Lake Special District Special Meeting
Monday, March 15, 2021 • 6:15 pm

MINUTES:

1. Call to Order – **Chair Stintzi called the meeting to order at 6:17pm**
2. Roll Call
 - a. Present
 - i. Lake Stintzi
 - ii. Vernon Bonfield
 - iii. Brian Wilmovsky
3. Approval of Agenda – **It was moved, seconded, and passed unanimously to approve the agenda with the addition of “Loan Draws and Loan Fees” after Item 7.**
4. Public Communication
 - a. The following people spoke: Jason Mosebar, Jeff Fancher, and Todd Tipp
5. Approval of Consent Agenda – **It was moved, seconded, and passed unanimously to approve the Consent Agenda as presented.**

Attachments:

March 1, 2021 Minutes
February Statement and Financial Reports

6. Discussion, approval of Kitsap Bank Commitment Letter
 - a. Chair Stintzi asked the board for permission to sign on behalf of the board, and it was granted in “Item 7 Resolution 21-01”
7. Discussion, approval of Resolution 21-01, Special Assessment Bond
 - a. **It was moved, seconded, and passed unanimously to approve Resolution 21-01.**
8. Loan Draws and Loan Fees
 - a. The First Draw will be on the closing date, for the amount of the loan fees. Second Draw will be on or before Day 6 of the project. Third Draw will be within 15 days of the completion of the project. Chair Stintzi will coordinate these draws with the Treasurer.
9. Discussion, approval of Professional Services Agreement with Herrera
 - a. Herrera will be doing preconditioning samples of the lake, as well as four random check-ins. If the need arises, Herrera will take point in working with the Department of Ecology. They will also be coordinating signage.
 - b. **It was moved, seconded, and passed unanimously to approve the Professional Services Agreement with Herrera.**



BLACK LAKE SPECIAL DISTRICT

10. Notice to lakefront owners correcting alum treatment period.
 - a. Due to the application dates shifting, a subsequent notice will be sent out signifying shifting treatment window.

11. Status of Alum Project
 - a. HAB will arrive the 23rd to set up, and Herrera will be posting signage beforehand.

12. Adjournment of Public Meeting – **With no further business, Chair Stintzi adjourned the meeting at 7:04 pm.**

Next Meeting: April 19, 2021 Regular Meeting



T 206.245.1700
1191 2nd Avenue, Suite 2000
Seattle, WA 98101-3404
pacificallawgroup.com

January 28, 2021

VIA EMAIL & US MAIL

Mr. Jeff Gadman
Thurston County Treasurer
2000 Lakeridge Drive SW
Olympia, WA 98502
Jeff.gadman@co.thurston.wa.us; Ann.lundeen@co.thurston.wa.us

Re: Black Lake Special District, Thurston County, Washington
Special Assessment Bond, 2021 (Taxable) (the "Bond")

Dear Mr. Gadman:

We are acting as bond counsel to Black Lake Special District, Thurston County, Washington (the "District"), with respect to the issuance of the above-referenced Bond. This letter is to confirm that pursuant to RCW 39.46.110(3), the District intends to issue the above-referenced Bond. Closing for the Bond is currently scheduled for February 19, 2021. In addition, pursuant to RCW 39.46.030(3)(b), the District would like to confirm that you will appoint U.S. Bank National Association, the Washington State Fiscal Agent, to act as Fiscal Agent and Bond Registrar with respect to the Bond.

If you concur, please either so advise us by letter or, if you wish, sign the enclosed duplicate copy of this letter and return it to us in the envelope provided.

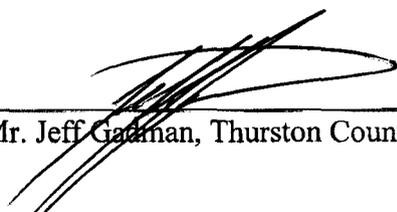
Please call with any questions.

Very truly yours,

PACIFICA LAW GROUP LLP

By 
Rachael Rapp

Confirmed:


Mr. Jeff Gadman, Thurston County Treasurer

SIGNATURE IDENTIFICATION AND NONLITIGATION CERTIFICATE

WE, LAKE STINTZI AND BRIAN WILMOVSKY, the duly chosen, qualified and acting Chair and Secretary, respectively, of the Governing Board (the "Board") of the Black Lake Special District, Thurston County, Washington (the "District"), DO HEREBY certify that the following-described Special Assessment Bond, 2021 (Taxable) (the "Bond") of the District bears our true and correct signatures.

The Bond is issued in fully registered form in the total principal amount of not to exceed \$1,400,000, is dated the date of its delivery to Kitsap Bank, as purchaser, and is payable as set forth in Resolution No. 21-01 of the District passed on March 15, 2021.

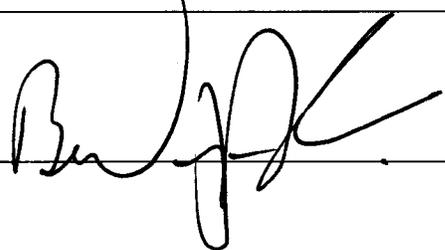
WE FURTHER CERTIFY that there is no controversy or litigation pending, or to the best of our knowledge threatened, affecting the issuance and delivery of the Bond, the imposition of special assessments and collection of revenue to pay the principal thereof and interest thereon, the validity of the Bond, the corporate existence or boundaries of the District, or the title of the present officers of the District to their respective offices, and that no authority or proceedings for the issuance of the Bond has or have been repealed, revoked or rescinded.

Dated as of this 19th day of March, 2021.

Signature

Title





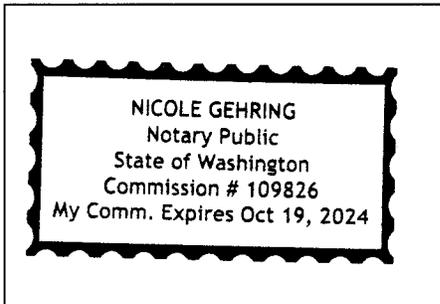
Chair of the Board

Secretary of the Board

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that LAKE STINTZI is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Chair of the Governing Board of the Black Lake Special District, Thurston County, Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 16, 2021.



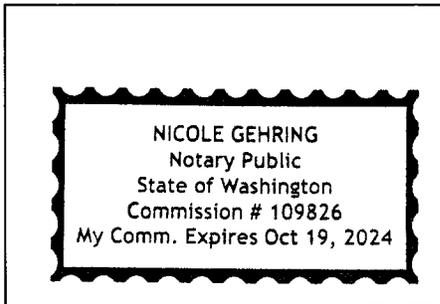
(Use this space for notarial stamp/seal)

Nicole Gehring
Notary Public
Print Name NICOLE GEHRING
My commission expires 10/19/2024

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I certify that I know or have satisfactory evidence that BRIAN WILMOVSKY is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Secretary of the Governing Board of the Black Lake Special District, Thurston County, Washington, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 16, 2021.



(Use this space for notarial stamp/seal)

Nicole Gehring
Notary Public
Print Name NICOLE GEHRING
My commission expires 10/19/2024



March 19, 2021

Black Lake Special District, Thurston County
Olympia, Washington

Re: Black Lake Special District, Thurston County, Washington, Special Assessment
Bond, 2021 (Taxable) (the "Bond")

Ladies and Gentlemen:

The undersigned, Kitsap Bank (the "Purchaser"), hereby acknowledges receipt of the above-referenced Bond dated March 19, 2021, originally issued in the principal amount of not to exceed \$1,400,000. The undersigned acknowledges that the Bond was issued pursuant to Resolution No. 21-01 of the Black Lake Special District, Thurston County, Washington (the "District") adopted by the Governing Board of the District (the "Board") on March 15, 2021 (the "Bond Resolution"). Proceeds of the Bond will be used to finance the costs of improving, treating and restoring Black Lake and to pay costs of issuance for the Bond (the "Project"). Capitalized terms used in this letter have the meanings given such terms in the Bond Resolution.

In connection with the acquisition of the Bond by the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

1. The Purchaser is an institutional investor who is a "qualified institutional buyer" as defined under Rule 144A promulgated under the Securities Act of 1933 (the "Act").

2. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of governmental obligations, to be able to evaluate the risks and merits of the loan represented by its purchase of the Bond, and its net worth and available assets are such that it is able to bear the economic risk of its purchase of the Bond. The Purchaser is able to bear the economic risk of the investment represented by its purchase of the Bond.

3. The Purchaser understands that the Bond is a special obligation of the District payable only from Assessments deposited into the Bond Fund and amounts, if any, available on deposit in the Guaranty Fund. The Purchaser will not have any claim for the payment of the principal of or interest on the Bond against the District, except for payment from the Bond Fund, the Assessments covenanted to be placed into the Bond Fund, and the Guaranty Fund. The District will not be liable to the Purchaser for any loss occurring in the lawful operation of the Guaranty Fund. The Bond does not constitute an indebtedness of the State of Washington (the "State"); either general or special, nor of Thurston County (the "County"), either general or special. The Purchaser will not have any claim against the State or the County arising from the Bond. The Bond is not subject to acceleration prior to its maturity. The District has no taxing power.

kitsapbank.com

619 Bay Street | Port Orchard, WA 98366 | 360.876.7800

4. The Purchaser understands that no official statement, prospectus, offering circular or other offering statement containing material information with respect to the District or the Bond is being issued, that the Bond is unrated, and that, with due diligence, it has made its own inquiry and analysis with respect to the District, the Bond and the security therefor, and other material factors affecting the security for and payment of the Bond, and is relying solely on such inquiry and analysis in its purchase of the Bond.

5. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals and organizations concerning the District, the Project, the use of proceeds of the Bond and the Bond and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the Bond.

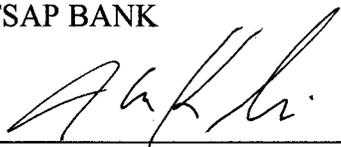
6. The Purchaser acknowledges that it is purchasing the Bond for investment for its own account and not with a present view toward resale or the distribution thereof, in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Bond. The Purchaser acknowledges that the Bond shall not be transferable without the consent of the District unless (a) the Purchaser's corporate name is changed and the transfer is necessary to reflect such change; (b) the transferee is a successor in interest of the Purchaser by means of a corporate merger, an exchange of stock, or a sale of assets; or (c) the transferee is a "qualified institutional buyer" (as defined under Rule 144A promulgated under the Act) and such transferee executes a purchaser's letter in the form acceptable to bond counsel of the District.

7. The Purchaser understands that the Bond is an exempted security under the Act and that registration is not legally required as of the date hereof; and further understands that the Bond (a) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating agency and (d) will be issued only in one denomination of not to exceed \$1,400,000, which may not be readily marketable.

8. The Purchaser has had the opportunity to consult with and be advised by legal counsel as to the significance of this letter and it has satisfied itself that the Bond is a lawful investment for it under all applicable laws.

Very truly yours,

KITSAP BANK

By  _____

**BLACK LAKE SPECIAL DISTRICT, THURSTON COUNTY, WASHINGTON
SPECIAL ASSESSMENT BOND, 2021 (TAXABLE)**

NOT TO EXCEED \$1,400,000

**CERTIFICATE OF AUTHENTICATION,
REGISTRATION AND DELIVERY OF BOND**

U.S. Bank National Association, fiscal agent for the State of Washington (the "Registrar"), hereby certifies as of the date hereof as follows:

(1) The Registrar authenticated and registered the Black Lake Special District, Thurston County, Washington, Special Assessment Bond, 2021 (Taxable) (the "Bond"), in the principal amount of not to exceed \$1,400,000, by manually executing the Certificate of Authentication and Registration Certificate thereon and by entering the name and address of the Bond owner in records maintained for such purpose.

(2) The Authorized Signer of the Registrar whose signature appears on the Certificate of Authentication and Registration Certificate on the authenticated Bond is a regular employee of the Registrar and has authenticated the Bond as one of their responsibilities as an employee, and is duly authorized by the Registrar to do the same.

(3) The Registrar has delivered, or caused to be delivered, the Bond to Kitsap Bank, as purchaser.

Dated as of this 19th day of March, 2021.

U.S. BANK NATIONAL ASSOCIATION,
fiscal agent for the State of Washington, as
Registrar

By



Title

Assistant Vice President



usbank.com

AUTHORIZED SIGNATURES

I hereby certify that the following is a true and exact extract from Article VI of the Bylaws presently in effect for U.S. Bank National Association, a national banking association organized and existing under the laws of the United States:

Article VI
CONVEYANCES, CONTRACTS, ETC.

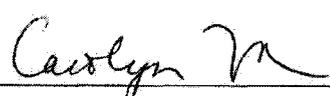
All transfers and conveyances of real estate, mortgages, and transfers, endorsements or assignments of stock, bonds, notes, debentures or other negotiable instruments, securities or personal property shall be signed by any elected or appointed officer.

All checks, drafts, certificates of deposit and all funds of the Association held in its own or in a fiduciary capacity may be paid out by an order, draft or check bearing the manual or facsimile signature of any elected or appointed officer of the Association.

All mortgage satisfactions, releases, all types of loan agreements, all routine transactional documents of the Association, and all other instruments not specifically provided for, whether to be executed in a fiduciary capacity or otherwise, may be signed on behalf of the Association by any elected or appointed officer thereof.

The Secretary or any Assistant Secretary of the Association or other proper officer may execute and certify that required action or authority has been given or has taken place by resolution of the Board under this Bylaw without the necessity of further action by the Board.

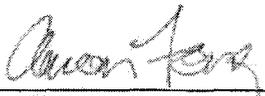
I further certify that the following officers of U.S. Bank National Association have been duly elected and qualified and now hold their respective offices, and that the signatures of such officers are authentic:



Carolyn Morrison, Vice President



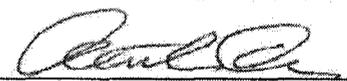
Greg E. Skutnik, Assistant Vice President



Aaron Fong, Assistant Vice President

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of March, 2021

U.S. BANK NATIONAL ASSOCIATION,

By: 

Vice President

**AMENDED AND RESTATED
BYLAWS
OF
U.S. BANK NATIONAL ASSOCIATION**

**ARTICLE I.
MEETINGS OF SHAREHOLDERS**

Section 1. Annual Meeting

The annual meeting of shareholders shall be held at the main banking house of the Association or other convenient place duly authorized by the Board of Directors (the "Board") at 11:00 a.m. on the second Tuesday in March of each year, or such other date or time which the Board may designate at any Board meeting held prior to the required date for sending notice of the annual meeting to the shareholders. Notice of such meeting shall be mailed to shareholders not less than ten (10) or more than sixty (60) days prior to the meeting date.

Section 2. Special Meetings

Special meetings of shareholders may be called and held at such times and upon such notice as is specified in the Articles of Association.

Section 3. Quorum

A majority of the outstanding capital stock represented in person or by proxy shall constitute a quorum of any meeting of the shareholders, unless otherwise provided by law, but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held as adjourned without further notice.

Section 4. Inspectors

The Board of Directors may, and in the event of its failure so to do, the Chairman of the Board may appoint Inspectors of Election who shall determine the presence of quorum, the validity of proxies, and the results of all elections and all other matters voted upon by shareholders at all annual and special meetings of shareholders.

Section 5. Voting

In deciding on questions at meetings of shareholders, except in the election of directors, each shareholder shall be entitled to one vote for each share of stock held. A majority of votes cast shall decide each matter submitted to the shareholders, except where by law a larger vote is required. In all elections of directors, each shareholder shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of his shares equal, or to distribute them on the same principle among as many candidates as he shall think fit.

Section 6. Waiver and Consent

The shareholders may act without notice or a meeting by a unanimous written consent by all shareholders.

**ARTICLE II.
BOARD OF DIRECTORS**

Section 1. Term of Office

The directors of this Association shall hold office for one year and until their successors are duly elected and qualified.

Section 2. Number

As provided in the Articles of Association, the Board of this Association shall consist of not less than five nor more than twenty-five members. At any meeting of the shareholders held for the purpose of electing directors, or changing the number thereof, the number of directors may be determined by a majority of the votes cast by the shareholders in person or by proxy. Any vacancy occurring in the Board shall be filled by the remaining directors. Between meetings of the shareholders held for the purpose of electing directors, the Board by a majority vote of the full Board may increase the size of the Board by not more than four directors in any one but not to more than a total of twenty-five directors, and fill any vacancy so created in the Board. All directors shall hold office until their successors are elected and qualified.

Section 3. Regular Meetings

The organizational meeting of the Board of Directors shall be held as soon as practicable following the annual meeting of shareholders at such time and place as the Chairman or President may designate. Other regular meetings of the Board of Directors shall be held quarterly at such time and place as may be designated in the notice of the meeting. When any regular meeting of the Board falls on a holiday, the meeting shall be held on the next banking business day, unless the Board shall designate some other day.

Section 4. Special Meetings

Special meetings of the Board of Directors may be called by the Chairman of the Board of the Association, or at the request of three or more Directors. Notice of the time, place and purposes of such meetings shall be given by letter, by telephone, in person, by facsimile, by electronic mail or other reasonable manner to every Director.

Section 5. Quorum

A majority of the entire membership of the Board shall constitute a quorum of any meeting of the Board.

Section 6. Necessary Vote

A majority of those Directors present and voting at any meeting of the Board of Directors shall decide each matter considered, except where otherwise required by law or the Articles or Bylaws of this Association.

Section 7. Compensation

Directors, excluding full-time employees of the Bank, shall receive such reasonable compensation as may be fixed from time to time by the Board of Directors.

**ARTICLE III.
OFFICERS**

Section 1. Who Shall Constitute

The Officers of the Association shall be a Chairman of the Board, Chief Executive Officer, a President, a Secretary, and other officers such as Vice Chairman of the Board, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Assistant Vice Presidents, Assistant Secretaries, Trust Officers, Assistant Trust Officers, Controller, and Assistant Controller, as the Board may appoint from time to time. The Board may choose to delegate authority to elect officers other than the Chairman, Chief Executive Officer, President, Secretary, Vice Chairman and Executive Vice Presidents, to the Chief Executive Officer or President. Any person may hold two offices. The Chief Executive Officer and the President shall at all times be members of the Board of Directors.

Section 2. Term of Office

All officers shall be elected for and shall hold office until their respective successors are elected and qualified or until their earlier death, resignation, retirement, disqualification or removal from office, subject to the right of the Board of Directors in its sole discretion to discharge any officer at any time.

Section 3. Chairman of the Board

The Chairman of the Board shall have general executive powers and duties and shall perform such other duties as may be assigned from time to time by the Board of Directors. He shall, when present, preside at all meetings of the shareholders and directors and shall be ex officio a member of all committees of the Board.

Section 4. Chief Executive Officer

The Chief Executive Officer, who may also be the Chairman or the President, shall have general executive powers and duties and shall perform such other duties as may be assigned from time to time by the Board of Directors.

Section 5. President

The President shall have general executive powers and duties and shall perform such other duties as may be assigned from time to time by the board of Directors. In addition, if designated by the Board of Directors, the President shall be the Chief Executive Officer and shall have all the powers and duties of the Chief Executive Officer, including the same power to name temporarily a Chief Executive Officer to serve in the absence of the President if there is a vacancy in the position of the chairman or in the event of the absence or incapacity of the Chairman.

Section 6. Vice Chairmen of the Board

The Board of Directors shall have the power to elect one or more Vice Chairmen of the Board of Directors. Any such Vice Chairman of the Board shall participate in the formation of the policies of the Association and shall have such other duties as may be assigned to him from time to time by the Chairman of the Board or by the Board of Directors.

Section 7. Other Officers

The Secretary and all other officers appointed by the Board of Directors shall have such duties as defined by law and as may from time to time be assigned to them by the Chief Executive Officer or the Board of Directors.

**ARTICLE IV.
COMMITTEES**

Section 1. Compensation Committee

The duties of the Compensation Committee of the Association shall be carried out by the Compensation Committee of the financial holding company that is the parent of this Association.

Section 2. Committee on Audit

The duties of the Audit Committee of the Association shall be carried out by the Audit Committee of the financial holding company that is the parent of this Association.

Section 3. Trust Management Committee

The Board of Directors of this Association shall appoint a Trust Management Committee to provide oversight of the fiduciary activities of the Association. The Trust Management Committee shall determine policies governing fiduciary activities. The Trust Management Committee or such sub-committees, officers or others as may be duly designated by the Trust Management Committee shall oversee the processes related to fiduciary activities to assure conformity with fiduciary policies it establishes, including ratifying the acceptance and the closing out or relinquishment of all trusts. All actions of the Trust Committee shall be reported to the Board of Directors.

Section 4. Other Committees

The Board of Directors may appoint, from time to time, other committees for such purposes and with such powers as the Board may direct.

**ARTICLE V.
MINUTE BOOK**

The organization papers of this Association, the Bylaws as revised or amended from time to time and the proceedings of all regular and special meetings of the shareholders and the directors shall be recorded in a minute book or books. All reports of committees required to be made to the Board shall be recorded in a minute book or shall be filed by the recording officer. The minutes of each meeting of the shareholders and the Board shall be signed by the recording officer.

**ARTICLE VI.
CONVEYANCES, CONTRACTS, ETC.**

All transfers and conveyances of real estate, mortgages, and transfers, endorsements or assignments of stock, bonds, notes, debentures or other negotiable instruments, securities or personal property shall be signed by any elected or appointed officer.

All checks, drafts, certificates of deposit and all funds of the Association held in its own or in a fiduciary capacity may be paid out by an order, draft or check bearing the manual or facsimile signature of any elected or appointed officer of the Association.

All mortgage satisfactions, releases, all types of loan agreements, all routine transactional documents of the Association, and all other instruments not specifically provided for, whether to be executed in a fiduciary capacity or otherwise, may be signed on behalf of the Association by any elected or appointed officer thereof.

The Secretary or any Assistant Secretary of the Association or other proper officer may execute and certify that required action or authority has been given or has taken place by resolution of the Board under this Bylaw without the necessity of further action by the Board.

**ARTICLE VII.
SEAL**

The Association shall have no corporate seal.

**ARTICLE VIII.
INDEMNIFICATION OF DIRECTORS,
OFFICERS, AND EMPLOYEES**

Section 1. General.

The Association shall indemnify to the full extent permitted by and in the manner permissible under the Delaware General Corporation Law, as amended from time to time (but, in the case of any such amendment, only to the extent that such amendment permits the Association to provide broader indemnification rights than said law permitted the Association to provide prior to such amendment), any person made, or threatened to be made, a party to any action, suit, or proceeding, whether criminal, civil, administrative, or investigative, by reason of the fact that such person (i) is or was a director, advisory director, or officer of the Association or any predecessor of the Association, or (ii) is or was a director, advisory director or officer of the Association or any predecessor of the Association and served any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, advisory director, officer, partner, trustee, employee or agent at the request of the Association or any predecessor of the Association; provided, however, that the Association shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person, except for a proceeding contemplated by Section 4 of this Article VIII, only if such proceeding (or part thereof) was authorized by the Board of Directors.

Section 2. Advancement of Expenses.

The right to indemnification conferred in this Article VIII shall be a contract right and shall include the right to be paid by the Association the expenses incurred in defending any such proceeding or threatened proceeding in advance of its final disposition, such advances to be paid by the Association within 20 days after the receipt by the Association of a statement or statements from the claimant requesting such advance or advances from time to time; provided, however, that if the General Corporation Law of the State of Delaware requires, the payment of such expenses incurred by a director, advisory director or officer in his or her capacity as a director, advisory director or officer (and not in any other capacity in which service was or is rendered by such person while a director, advisory director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Association of an undertaking by or on behalf of such director, advisory director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director, advisory director or officer is not entitled to be indemnified under this Article VIII or otherwise.

Section 3. Procedure for Indemnification.

To obtain indemnification under this Article VIII, a claimant shall submit to the Association a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 3, a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (1) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (2) if no request is

made by the claimant for a determination by Independent Counsel, (i) by a majority vote of the Disinterested Directors (as hereinafter defined), even though less than a quorum, or by a majority vote of a committee of Disinterested Directors designated by a majority vote of Disinterested Directors, even though less than a quorum, or (ii) if there are no Disinterested Directors or if the Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the claimant. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the Board of Directors. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within 10 days after such determination.

Section 4. Certain Remedies.

If a claim under Section 1 of this Article VIII is not paid in full by the Association within thirty days after a written claim pursuant to Section 3 of this Article VIII has been received by the Association, or if a claim under Section 2 of this Article VIII is not paid in full by the Association within twenty days after a written claim pursuant to Section 2 of this Article VIII has been received by the Association, the claimant may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Association) that the claimant has not met the standard of conduct which makes it permissible under the General Corporation Law of the State of Delaware for the Association to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Association. Neither the failure of the Association (including its Board of Directors or Independent Counsel) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Association (including its Board of Directors or Independent Counsel) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 5. Binding Effect.

If a determination shall have been made pursuant to Section 3 of this Article VIII that the claimant is entitled to indemnification, the Association shall be bound by such determination in any judicial proceeding commenced pursuant to Section 4 of this Article VIII.

Section 6. Validity of this Article VIII.

The Association shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 4 of this Article VIII that the procedures and presumptions of this Article VIII are not valid, binding and enforceable and shall stipulate in such proceeding that the Association is bound by all the provisions of this Article VIII.

Section 7. Nonexclusivity, etc.

The right to indemnification and the payment of expenses incurred in defending a proceeding or threatened proceeding in advance of its final disposition conferred in this Article VIII shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Association, Bylaws, agreement, vote of shareholders or Disinterested Directors or otherwise. No repeal or modification of this Article VIII, or adoption of any provision inconsistent herewith shall in any way diminish or adversely affect the rights of any present or former director, advisory director, officer, employee or agent of the Association or any predecessor thereof hereunder in respect of any occurrence or matter arising, or of any claim involving allegations of acts or omissions occurring or arising, prior to any such repeal or modification.

Section 8. Insurance.

The Association may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Association or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Association would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware. To the extent that the Association maintains any policy or policies providing such insurance, each such director or officer, and each such agent or employee to whom rights to indemnification have been granted as provided in Section 9 of this Article VIII, shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such director, officer, employee or agent.

Section 9. Indemnification of Other Persons.

The Association may grant rights to indemnification, and rights to be paid by the Association the expenses incurred in defending any proceeding in advance of its final disposition, to any present or former employee or agent of the Association or any predecessor of the Association to the fullest extent of the provisions of this Article VIII with respect to the indemnification and advancement of expenses of directors, advisory directors and officers of the Association.

Section 10. Severability.

If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Article VIII (including, without limitation, each portion of any paragraph of this Article VIII containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each such portion of any paragraph of this Article VIII containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Section 11. Certain Definitions.

For purposes of this Article VI:

(1) “Disinterested Director” means a director of the Association who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(2) “Independent Counsel” means a law firm, a member of a law firm, or an independent practitioner that is experienced in matters of corporation law and shall include any such person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Association or the claimant in an action to determine the claimant’s rights under this Article VIII.

Section 12. Notices.

Any notice, request or other communication required or permitted to be given to the Association under this Article VIII shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Association and shall be effective only upon receipt by the Secretary.

Section 13. Payments

Notwithstanding any other provision of this Article VIII, however, (a) any indemnification payments to an institution-affiliated party, as defined at 12 USC 1813(u), for an administrative proceeding or civil action initiated by a federal banking agency, shall be reasonable and consistent with the requirements of 12 USC 1828(k) and the associated regulations; and (b) any indemnification payments and advancement of costs and expenses to an institution-affiliated party, as defined at 12 USC 1813(u), in cases involving an administrative proceeding or civil action not initiated by a federal banking agency, shall be consistent with safe and sound banking practices.

**ARTICLE IX.
AMENDMENTS**

These Bylaws, or any of them, may be added to, altered, amended or repealed by the Board at any regular or special meeting of the Board.

**ARTICLE X.
GOVERNING LAW**

This Association designates the Delaware General Corporation Law, as amended from time to time, as the governing law for its corporate governance procedures, to the extent not inconsistent with Federal banking statutes and regulations.

October 20, 2014

CERTIFICATE OF MANUAL SIGNATURE

V. Lake Stintzi

Signature

STATE OF WASHINGTON)
) ss:
COUNTY OF THURSTON)

I, the undersigned affiant, being first duly sworn, on oath depose and say:

My name is Lake Stintzi
(print or type)

I have been duly chosen and am qualified and acting as

Chair, Governing Board
(title or position)

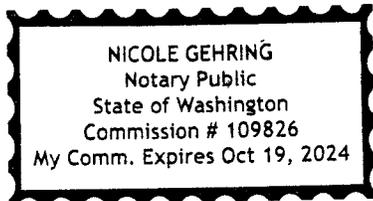
for Black Lake Special District, Thurston County, Washington
(name of municipality)

The signature appearing above is my true manual signature.

This affidavit is made to comply with 39.62.020 Revised Code of Washington (Ch. 86, Wash. Sess. Laws of 1969).

Nicole Gehring
Signature

SUBSCRIBED AND SWORN TO before me this 10 day of March, 2021.



Nicole Gehring
NOTARY PUBLIC in and for the State of
Washington, residing at Olympia
Printed Name: NICOLE GEHRING
My Commission Expires: 6/19/2024

CERTIFICATE OF MAILING

I, Lanna Do the duly chosen
(PRINT OR TYPE NAME)

qualified and acting Public Finance Clerk
(POSITION)

of the law firm

of Pacifica Law Group LLP

DO HEREBY CERTIFY that on the 18th of March 2021, I mailed to the Secretary of State of the State of Washington, postage prepaid, a certificate of manual signature in the form attached hereto executed by the following official:

Name

Position

Brian Wilmovsky

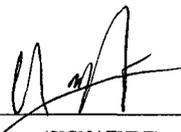
Secretary, Governing Board, Black Lake Special District, Thurston County, Washington

Lake Stintzi

Chair, Governing Board, Black Lake Special District, Thurston County, Washington

* * * * *

Dated March 18, 2021


(SIGNATURE)

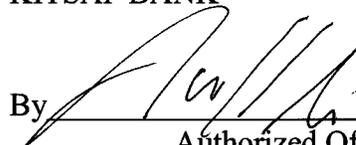
RECEIPT FOR BOND

Kitsap Bank (the "Purchaser") hereby acknowledges receipt of the Black Lake Special District, Thurston County, Washington, Special Assessment Bond, 2021 (Taxable), in the principal amount of not to exceed \$1,400,000.

Dated this 19th day of March, 2021.

KITSAP BANK

By



Authorized Officer



Department of Commerce

1011 Plum Street SE
P.O. Box 42525
Olympia, WA 98504-2525
Phone: 360/725-2733
Email: buc@commerce.wa.gov

BOND 101 REPORT FORM

Issue ID: 2103-027		Date Submitted: 04/01/2021	
Issuer Information			
Name of Issuer:	Black Lake Special District		
Address of Issuer:	120 State Avenue NE, #303 Olympia, WA 98501		
Issue Type:	Other		
Principle User, if different than issuer:			
Counties in which the entity using the bond proceeds is located:	Thurston <input type="checkbox"/> Various Counties - More than four <input type="checkbox"/> Statewide		
Issue Type and Title			
Was this bond voter approved?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Exact title of issue:	Special Assessment Bond, 2021 (Taxable)		
Issue Sale Method:	Private Placement If Competitive Bid, number of bids:		
Debt Type:	Other		
Debt Category:	Bond		
Series:	2021		
6-DIGIT CUSIP:			
New/Refund/Combo:	New Issue		
CUSIP(S) of Refunded Bonds:			
Private Placement Number(s):			
Series or Issue Year of Refunded Bonds:			
Advance Refund?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Net Present Value Savings:			
Issue Dates			
Dated Date of Issue: 03/19/2021		Issue Closing Date: 03/19/2021	
Date of Issue Sale: 03/15/2021		Issue Maturity Date: 03/19/2041	
Issue Purpose			
Purpose Type:	Other		
Purpose of Proceeds:	to finance costs of improving, treating and restoring Black Lake		
Is this a Bond Cap issuance?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes: Bond Cap Use Category: Project Title: Bond Cap Amount:		



Department of Commerce

1011 Plum Street SE
 P.O. Box 42525
 Olympia, WA 98504-2525
 Phone: 360/725-2733
 Email: buc@commerce.wa.gov

Par Value and Interest Rates		
	NEW	REFUND
Tax-Exempt Par Value:	\$0.00	
Taxable par Value:	\$1,400,000.00	
Total Par Value:	\$1,400,000.00	
Net Tax-Exempt Interest Rate:	0% <input type="checkbox"/> Variable	<input type="checkbox"/> Variable
Net Taxable Interest Rate:	4% <input type="checkbox"/> Variable	<input type="checkbox"/> Variable
Discount:	<input type="checkbox"/> Estimate	<input type="checkbox"/> Estimate
Premium:	<input type="checkbox"/> Estimate	<input type="checkbox"/> Estimate
Yield:		
Issue Costs		
Underlying Security	Assessments	
Gross Underwriting Spread:	\$0.00	<input type="checkbox"/> Estimate
Underwriting Spread per \$1,000:	\$0.00	
Bond Counsel Fee:	\$21,500.00	<input type="checkbox"/> Estimate
Legal/Underwriter's Counsel Fee:	\$0.00	<input type="checkbox"/> Estimate
Administrative/Commission Fee:	\$0.00	<input type="checkbox"/> Estimate
Feasibility Study Cost:	\$0.00	<input type="checkbox"/> Estimate
Rating Agency Fee:	\$0.00	<input type="checkbox"/> Estimate
Trustee Fee:	\$0.00	<input type="checkbox"/> Estimate
Credit Enhancement:	\$0.00	<input type="checkbox"/> Estimate
Escrow Costs:	\$0.00	<input type="checkbox"/> Estimate
Financial Advisor Fee:	\$0.00	<input type="checkbox"/> Estimate
Placement Agent:	\$0.00	<input type="checkbox"/> Estimate
Bond Insurance:	\$0.00	<input type="checkbox"/> Estimate
Printing, inc. Office Statement:	\$0.00	<input type="checkbox"/> Estimate
Out-of-State Travel:	\$0.00	<input type="checkbox"/> Estimate
Miscellaneous:	\$0.00	<input type="checkbox"/> Estimate
Issuance Team		
Name of Financial Advisor:	N/A	
Name of Bond Counsel:	Pacifica Law Group LLP	
Name Of Lead Underwriter(s):	Kitsap Bank	
Name Of Company Insuring Bond:	N/A	
Name of Bond Registrar:	U.S. Bank National Association	
Escrow Agent/Trustee:	N/A	



Department of Commerce

1011 Plum Street SE
P.O. Box 42525
Olympia, WA 98504-2525
Phone: 360/725-2733
Email: buc@commerce.wa.gov

Bond Ratings	
Standard & Poor's:	N/A
Moody's:	N/A
Fitch:	N/A
Other	N/A
Attachments	
Are bond covenants available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is an Official Statement available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Reporter Contact Information	
Reporter Name:	Kristin Patterson
Title:	Paralegal
Affiliation:	Pacifica Law Group LLP
Address:	1191 Second Avenue, Suite 2000 Seattle, WA 98101-1158
Email:	kristin.patterson@pacificalawgroup.com
Phone:	(206) 245-1700

UNITED STATES OF AMERICA

TRANSFER RESTRICTED

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS BOND IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN THE BOND RESOLUTION DESCRIBED BELOW AND MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO THE TERMS THEREOF.

UNITED STATES OF AMERICA

NO. R-1

**Not to Exceed
\$1,400,000**

STATE OF WASHINGTON
BLACK LAKE SPECIAL DISTRICT, THURSTON COUNTY, WASHINGTON
SPECIAL ASSESSMENT BOND, 2021 (TAXABLE)

INTEREST RATE: 4.00%
DATED DATE: MARCH 19, 2021
MATURITY DATE: MARCH 19, 2041
REGISTERED OWNER: KITSAP BANK
PRINCIPAL AMOUNT: NOT TO EXCEED ONE MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS

BLACK LAKE SPECIAL DISTRICT, THURSTON COUNTY, WASHINGTON (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the sum of all Requests for Draw, together with interest thereon at the Interest Rate specified above, on or before the Maturity Date set forth above, in accordance with the terms of this bond and Resolution No. 21-01 adopted by the Governing Board of the District on March 15, 2021 (the "Bond Resolution"). Capitalized terms used but not defined herein shall have the meanings set forth in the Bond Resolution.

Interest on the outstanding principal amount of this bond shall be payable semiannually on each June 1 and December 1, commencing June 1, 2021, calculated on the basis set forth in the Bond Resolution. Principal payments will be due semiannually on each June 1 and December 1, commencing June 1, 2021, in amounts as described in the principal amortization schedule provided by the Lender in accordance with the Bond Resolution and by this reference incorporated herein.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Principal of and interest on this bond shall be payable by check or warrant or by other means mutually acceptable to the Registered Owner and the District. Upon final payment of principal and interest of this bond, the Registered Owner shall surrender this bond for cancellation at the office of the Bond Registrar in accordance with the Bond Resolution.

This bond is issued pursuant to the Bond Resolution and Ordinance No. 15941 adopted by the Board of County Commissioners of Thurston County, Washington on November 10, 2020, to provide the funds necessary for the improvement, treatment and restoration of Black Lake, including but not limited to alum treatment, and to pay costs of issuance for this bond.

The District may prepay this bond as provided in the Bond Resolution.

The bond is issued as a single, fully registered bond under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington (the "State"), the duly adopted and resolutions duly adopted by the Governing Board of the District.

In accordance with RCW 85.38.240, the District provides the following notice: This bond does not constitute a general obligation of the District, but is a special obligation of the District payable only from Assessments deposited into the Bond Fund and amounts, if any, available on deposit in the Guaranty Fund. The owner of this bond does not have any claim for the payment of the principal of or interest on the bond against the District, except for payment from the Bond Fund, the Assessments covenanted to be placed into the Bond Fund, and the Guaranty Fund. The District will not be liable to the owner of this bond for any loss occurring in the lawful operation of the Guaranty Fund. This bond does not constitute an indebtedness of the State, either general or special, nor of Thurston County, Washington (the "County"), either general or special. The owner of this bond will not have any claim against the State or the County arising from this bond. This bond is not subject to acceleration prior to its maturity. The District has no taxing power.

The District hereby covenants to impose, maintain, budget for and cause to be collected the Assessments and to adjust such Assessments from time to time in accordance with the System of Assessment, so that in each year the revenue from the Assessments (net of any collection fees that will be imposed by the County) will be sufficient, together with other funds available in the Bond Fund, to pay when due the principal of and interest on the Bond. The District hereby covenants and agrees with the Registered Owner that it will keep and perform all the covenants of this bond and the Bond Resolution. The provisions of the Bond Resolution are incorporated herein by this reference.

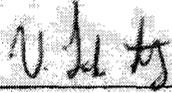
This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar.

This bond is issued as a single, fully registered bond under and in accordance with the Constitution and laws of the State, the duly adopted ordinance of the County, and the duly adopted resolution of the District. The principal of this bond shall be paid only to the Registered Owner and to no other person or entity. This bond is transferable only upon compliance with the conditions set forth in the Bond Resolution.

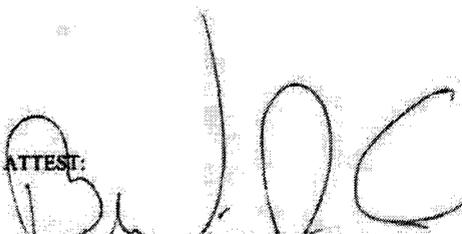
It is hereby certified that all acts, conditions, and things required by the Constitution and statutes of the State to exist, to have happened, been done, and performed precedent to and in the issuance of this bond have happened, been done, and performed.

IN WITNESS WHEREOF, Black Lake Special District, Thurston County, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Chair and Secretary of its Board and as of this 19th day of March, 2021.

BLACK LAKE SPECIAL DISTRICT, THURSTON
COUNTY, WASHINGTON

By  _____
Chair, Governing Board

ATTEST:

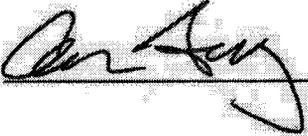

Secretary, Governing Board

CERTIFICATE OF AUTHENTICATION

Date of Authentication: March 19, 2021

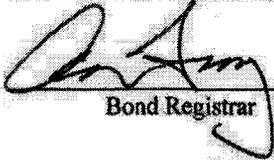
This bond is the Special Assessment Bond, 2021 (Taxable) described in the within-mentioned Bond Resolution of the Black Lake Special District, Thurston County, Washington.

WASHINGTON STATE FISCAL AGENCY, as
Bond Registrar

By 

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the District, in the office of U.S. Bank National Association, as bond registrar (the "Bond Registrar"), as to both principal and interest, as noted in the registration blank below. All payments of principal of and interest on this bond shall be made from the Bond Fund or the Guaranty Fund, made payable to the last Registered Owner as shown hereon and on the registration books of the Bond Registrar at its address noted hereon and on the registration books of the Bond Registrar.

Date of Registration	Name and Address of Registered Owner	Signature of Bond Registrar
March 19, 2021	Kitsap Bank 619 Bay Street Port Orchard, WA 98366	 Bond Registrar



T 206.245.1700
1191 2nd Avenue, Suite 2000
Seattle, WA 98101-3404
pacificallawgroup.com

March 19, 2021

Black Lake Special District, Thurston County, Washington
Olympia, Washington

Kitsap Bank
Port Orchard, Washington

Re: Black Lake Special District, Thurston County, Washington
Special Assessment Bond, 2021 (Taxable) – not to exceed \$1,400,000

Ladies and Gentlemen:

We have acted as bond counsel to Black Lake Special District, Thurston County, Washington (the “District”), and have examined a certified transcript of all of the proceedings taken in the matter of the issuance by the District of its Special Assessment Bond, 2021 (Taxable), in the principal amount of not to exceed \$1,400,000 (the “Bond”) issued pursuant to Resolution No. 21-01 of the District adopted on March 15, 2021 (the “Bond Resolution”), to finance costs of improving, treating and restoring Black Lake, and to pay costs of issuance of the Bond. Capitalized terms used in this opinion have the meanings given such terms in the Bond Resolution.

Regarding questions of fact material to our opinion, we have relied on representations of the District 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 District is a special district duly formed and existing pursuant to chapter 85.38 of the Revised Code of Washington by Thurston County (the “County”) and the affirmative vote of the qualified electors of the District at an election held on November 5, 2013.

2. The Bond has been legally issued and constitutes a valid and binding special obligation of the District, both principal thereof and interest thereon payable solely out of Assessments deposited into the Bond Fund and amounts, if any, available on deposit in the Guaranty Fund, except to the extent that the enforcement of the rights and remedies of the holders of the Bond may be limited by laws relating to bankruptcy, reorganization, insolvency,

moratorium 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. The Bond Resolution is a legal, valid and binding obligation of the District, 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.

4. The District has irrevocably bound itself to impose, maintain, budget for and cause to be collected the Assessments and to adjust such Assessments from time to time in accordance with the System of Assessment, so that in each year the revenue from the Assessments (net of any collection fees that will be imposed by the County) will be sufficient, together with other funds available in the Bond Fund, to pay when due the principal of and interest on the Bond.

5. Interest on the Bond is not intended to be excluded from gross income for federal income tax purposes.

Except as expressly stated above, we express no opinion regarding any tax consequences related to the ownership, sale or disposition of the Bond, or the amount, accrual or receipt of interest on, the Bond. Owners of the Bond should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bond.

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,

PACIFICA LAW GROUP LLP

Pacific Law Group