

**SCATCHET HEAD WATER DISTRICT  
ISLAND COUNTY, WASHINGTON**

**RESOLUTION NO. 2026-5**

A RESOLUTION of the Board of Commissioners of Scatchet Head Water District, Island County, Washington, amending Resolution No. 2022-4, as previously amended by Resolutions Nos. 2023-6, 2024-6 and 2025-3 relating to the District's Water Revenue Bond Anticipation Note, 2022 – Series 2, to extend the maturity date of such note.

WHEREAS, the Board of Commissioners of Scatchet Head Water District, Island County, Washington (the "District") adopted Resolution No. 2022-4, authorizing the issuance and sale of the District's Water Revenue Bond Anticipation Note, 2022 – Series 1 in the principal amount of not to exceed \$300,000 (the "Series 1 Note") for the purpose of providing the funds required to pay engineering and other soft costs of the Project (as defined in Resolution No. 2022-4), pending issuance of the Series 2 Note, and the District's Water Revenue Bond Anticipation Note, 2022 – Series 2 in the principal amount of not to exceed \$2,500,000 (the "Series 2 Note," and together with the Series 1 Note, the "Notes") for the purpose of providing the funds required to pay interim financing costs of the Project (pending issuance of the Bond), as well as the Series 1 Note, and any interest accrued on the Series 1 Note or accruing on the Series 2 Note, originally dated June 1, 2022 to Heritage Bank (the "Bank"); and

WHEREAS, pursuant to Resolution No. 2023-6, the maturity date of the Series 1 Note was extended to June 1, 2024, and the maturity date of the Series 2 Note was extended to June 1, 2025, with an increase to the interest rate of the Notes; and

WHEREAS, pursuant to Resolution No. 2024-6, the maturity date of the Series 1 Note was further extended to December 1, 2024, and the maturity date of the Series 2 Note was further extended to December 1, 2025, with an increase to the interest rate of the Notes; and

WHEREAS, proceeds of a draw on the Series 2 Note was used to pay off the Series 1 Note in December 2024; and

WHEREAS, pursuant to Resolution No. 2025-3, the maturity date of the Series 2 Note was further extended to March 1, 2026; and

WHEREAS, the Series 2 Note will not exceed the authorized amount of \$2,500,000 under the Letter of Conditions dated April 1, 2021, provided to the District by the United States of America, acting through the United States Department of Agriculture, Rural Utilities Service ("USDA"); and

WHEREAS, due to additional time needed to finalize the Project and documentation with USDA, the Bank has agreed to further extend the maturity date of the Series 2 Note; and

WHEREAS, it is in the best interest of the District to amend the Series 2 Note;

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF SCATCHET HEAD WATER DISTRICT, ISLAND COUNTY, WASHINGTON, as follows:

**Section 1: Extension of Maturity Date**

The maturity date of the Series 2 Note is extended to June 1, 2026. Therefore, the definition of “Series 2 Maturity Date” in Resolution No. 2022-4, as previously amended by Resolutions Nos. 2023-6, 2024-6 and 2025-3, is changed as follows (with additions underlined and deletions stricken):

“Series 2 Maturity Date” means June 1, 2026~~December 1, 2025~~2024.

All other provisions of Resolution No. 2022-4, as amended by Resolutions Nos. 2023-6, 2024-6 and 2025-3, shall remain unchanged.

**Section 2: Expenses**

The District agrees to pay the Bank’s legal counsel fees in the amount of \$2,500 for this amendment of the Series 2 Note.

**Section 3: Severability**

If any provision of this Resolution shall be 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 provisions of this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Series 2 Note.

**Section 4: Ratification**


All actions heretofore taken by the District consistent with the provisions of this Resolution are ratified, confirmed, and approved.


**Section 5: Effective Date of Resolution**

This Resolution shall take effect and be in force from and after its adoption.

ADOPTED by the Board of Commissioners of Scatchet Head Water District, Island County, Washington, this 17th day of February, 2026, at an open public meeting thereof.

SCATCHET HEAD WATER DISTRICT  
ISLAND COUNTY, WASHINGTON

  
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Commissioner

  
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Commissioner

  
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Commissioner

**CERTIFICATE**

I, the Secretary of the Board of Commissioners of Scatchet Head Water District, Island County, Washington (the "District"), hereby certify as follows:

1. The foregoing Resolution No. 2026-5(the "Resolution") is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the Board of Commissioners of the District held on February 17, 2026, as that resolution appears on the minute book of the District; and the Resolution will be in full force and effect from and after its adoption.

2. That such meeting was duly convened, held and included an opportunity for public comment, in all respects in accordance with law; due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting; and a majority of the members of the Board voted in the proper manner for the adoption of the Resolution.

3. 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.

Dated: February 17, 2026.

SCATCHET HEAD WATER DISTRICT  
ISLAND COUNTY, WASHINGTON



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Secretary, Board of Commissioners