

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

RESOLUTION NO. 2023-6

A RESOLUTION of the Board of Commissioners of Scatchet Head Water District, Island County, Washington, amending Resolution No. 2022-4 relating to the District's Water Revenue Bond Anticipation Note, 2022 – Series 1 and Water Revenue Bond Anticipation Note, 2022 – Series 2, to increase the interest rate and extend both Notes.

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, dated June 1, 2022 to Heritage Bank (the "Bank"); and

WHEREAS, it is expected that a portion of the proceeds of draws on the Series 2 Note will be used to repay the of the Series 1 Note, and the combined amount drawn on both the Series 1 Note and 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; and

WHEREAS, due to supply chain issues and increased costs, the District has requested additional time to complete the Project; and

WHEREAS, the Bank has agreed to extend the maturity date of the Notes, with the increase in interest rate; and

WHEREAS, it is in the best interest of the District to amend the Notes;

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

Section 1: Increase to Interest Rate

The interest rate for the Notes is increasing to 4.58%. Therefore, the definition of “Interest Rate” in Resolution No. 2022-4 is changed as follows (with additions underlined and deletions stricken):

“Interest Rate” means the per annum rate of 4.58~~2.50~~%.

Section 2: Extension of Maturity Dates

The maturity date of the Series 1 Note is extended to June 1, 2024 and the maturity date of the Series 2 Note is extended to June 1, 2025. Therefore, the definitions of “Series 1 Maturity Date” and “Series 2 Maturity Date” in Resolution No. 2022-4 are changed as follows (with additions underlined and deletions stricken):

“Series 1 Maturity Date” means June 1, 2024~~2023~~.

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

All other provisions of Resolution No. 2022-4 shall remain unchanged.

Section 3: Expenses

The District agrees to pay the Bank’s legal counsel fees in the amount of \$3,500, for this amendment of the Notes.

Section 4: 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 Notes.

Section 5: Ratification

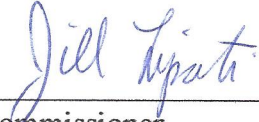
All actions heretofore taken by the District consistent with the provisions of this Resolution are ratified, confirmed, and approved.

Section 6: Effective Date of Resolution

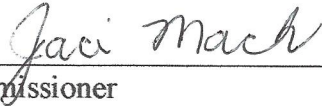
This Resolution shall take effect and be in force from and after its adoption.

ADOPTED by the Board of Commissioners of Scatchet Head Water District, Island County, Washington, this 12th day of June, 2023, at an open public meeting thereof.

SCATCHET HEAD WATER DISTRICT
ISLAND COUNTY, WASHINGTON



Commissioner



Commissioner



Commissioner