

EAST COLUMBIA BASIN IRRIGATION DISTRICT

ADAMS COUNTY, WASHINGTON

RESOLUTION NO. 2026-08

A RESOLUTION of the Board of Directors of East Columbia Basin Irrigation District, Adams County, Washington, providing for the issuance, sale and delivery of refunding revenue bonds to provide funds with which to (1) carry out the refunding of certain of the District's outstanding revenue bonds and pay the administrative costs of such refunding; and (2) pay costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; authorizing the execution of one or more agreements with a refunding trustee; providing for the call, payment, and redemption of the outstanding bonds to be refunded; appointing the District's designated representative to approve the final terms of the sale of the bonds; repealing Resolution No. 2026-08; and providing for other related matters.

Adopted August 11, 2026

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** The cover page, table of contents, and section headings of this resolution are for convenience of reference only, and shall not be used to resolve any question of interpretation of this resolution.*

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BE IT RESOLVED BY THE BOARD OF DIRECTORS OF EAST COLUMBIA BASIN IRRIGATION DISTRICT, ADAMS COUNTY, WASHINGTON, as follows:

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

“2016 Bonds” means the District's Improvement and Refunding Revenue Bonds, 2016, issued in the aggregate original principal amount of \$22,530,000, pursuant to and for the purposes provided in the 2016 Bond Resolution.

“2016 Bond Resolution” means Resolution No. 2016-11, adopted by the Board on July 6, 2016.

“Acquired Obligations” means the Government Obligations purchased to accomplish the refunding of the Refunded Bonds as authorized by this resolution and in accordance with the 2016 Bond Resolution.

“Annual Debt Service” means, for any twelve month period ending December 31, all the interest due on any Parity Bonds in such year, plus all principal of any Parity Bonds (except the principal of any Term Bonds due in a Term Bond Maturity Year) and all mandatory redemption and sinking fund requirements for Term Bonds which will mature or become due in such year, less (1) all capitalized interest on any issue of Parity Bonds payable in such year from the proceeds of that issue invested in Permitted Investments held in the Debt Service Fund, and (2) in the last maturity year of Parity Bonds (except when calculating Average Annual Debt Service or Maximum Annual Debt Service), the portion of the Reserve Requirement in respect of that issue to be used to pay an equivalent amount of the principal of and interest on Parity Bonds of that issue last outstanding payable from the Debt Service Fund.

“Authorized Denomination” means \$5,000 or any integral multiple thereof within a maturity of the Bonds.

“Average Annual Debt Service” means, as of any calculation date, the sum of the Annual Debt Service for the remaining years to the last scheduled maturity of the applicable issue or series of Parity Bonds divided by the number of those years.

“Beneficial Owner” means, with respect to a Bond, the owner of any beneficial interest in that Bond.

“Board” means the Board of Directors of the District.

“Bond” means each bond issued pursuant to and for the purposes provided in this resolution.

“Bond Counsel” means the firm of Foster Garvey PC, its successor, or any other attorney or firm of attorneys selected by the District with a nationally recognized standing as bond counsel in the field of municipal finance.

“Bond Purchase Agreement” means an offer to purchase the Bonds, setting forth certain terms and conditions of the issuance, sale, and delivery of those Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the District, if consistent with this resolution.

“Bond Register” means the books or records maintained by the Registrar for the purpose of identifying ownership of each Bond.

“Code” means the Internal Revenue Code of 1986, as amended, together with all applicable rulings and regulations hereafter promulgated thereunder.

“Consultant” means an independent municipal financial consultant or an independent public accounting firm.

“Debt Service Fund” means the East Columbia Basin Irrigation District Revenue Bond Debt Service Fund, a special fund of the District previously created by Resolution No. 2006-12, adopted by the Board on August 23, 2006, for the payment of the principal of and interest on any Parity Bonds.

“Designated Representative” means the officer of the District appointed in Section 4 of this resolution to serve as the District’s designated representative in accordance with RCW 39.46.040.

“District” means East Columbia Basin Irrigation District, Adams County, Washington, an irrigation district duly organized and existing under the laws of the State.

“District Contribution” means legally available money of the District, in addition to proceeds of the Bonds, necessary or advisable to carry out the Refunding Plan, as determined by the Designated Representative.

“DTC” means The Depository Trust Company, New York, New York.

“Event of Default” means (1) a failure by the District to pay when due any principal of or interest on the Bonds; (2) a failure by the District to observe and perform any other covenant to be observed and performed by the District pursuant to this resolution (except for a failure to comply with the Undertaking), which failure shall continue for 90 days after receipt by the District of notice thereof; or (3) the commencement by or against the District of an Insolvency Proceeding.

“Final Terms” means the terms and conditions for the sale of the Bonds, including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants, including minimum savings if the purpose of the refunding is for savings.

“Fiscal Agent” means the fiscal agent of the State, as the same may be designated by the State Finance Committee from time to time.

“Future Parity Bonds” means any and all revenue bonds hereafter issued by the District payable from the Debt Service Fund and the payment of which, both principal and interest, constitutes a lien and charge upon the Net Revenue and ULID Assessments equal in rank with the lien and charge upon such revenue and assessments for the payments required to pay or secure the payment of the Outstanding Parity Bonds and the Bonds.

“Government Obligations” means direct, noncallable obligations of the United States of America or obligations the payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Gross Revenue” means all of the receipts, revenues, fees, assessments, rates or tolls, and charges derived from and/or imposed by the District on users of the Irrigation Facilities, income, investment income, receipts, and profits derived by the District from the operation and maintenance of the Irrigation Facilities, but shall not include grants in aid of construction, utility local improvement district and local improvement district assessments, revenues derived from the operation or ownership of any interest in any hydroelectric facility, earnings in any escrow set aside to pay the principal of or interest on refunded or defeased obligations, or deposits to the Rate Stabilization Fund.

“Insolvency Proceeding” means any proceeding under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation, or similar law.

“Irrigation Facilities” means any and all irrigation distribution facilities title to which is held by the United States of America but which are cared for, operated, and maintained by the District at its sole cost pursuant to 43 U.S.C. § 498, RCW 87.03.140, and the Repayment Contract, or which are otherwise owned by the District, as the same now exist and as added to, bettered, improved, and extended or newly developed for so long as any Parity Bonds are outstanding.

“Issue Date” means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of that Bond.

“Letter of Representations” means the Blanket Issuer Letter of Representations between the District and DTC dated August 24, 2006, as it may be amended from time to time.

“Maximum Annual Debt Service” means the maximum amount of Annual Debt Service which will become due in any future year on any Parity Bonds.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns.

“Net Revenue” means the Gross Revenue less the Operating and Maintenance Expenses.

“Official Statement” means an offering document, disclosure document, private placement memorandum, or substantially similar disclosure document provided to purchasers and potential purchasers in connection with the initial offering of the Bonds in conformance with Rule 15c2-12 or other applicable regulations of the SEC.

“Operating and Maintenance Expenses” means all necessary operating expenses, current maintenance expenses, expenses of reasonable upkeep and repairs, and insurance and administrative expenses of the Irrigation Facilities, but excluding depreciation, payments for debt service or into reserve funds, costs of capital additions to or replacements of the Irrigation Facilities, and taxes and payments in lieu of taxes levied by the District.

“Operation and Maintenance Fund” means the fund of that name maintained by the District and held by the Treasurer.

“Outstanding Parity Bonds” means the outstanding 2016 Bonds, but shall not include any Refunded Bonds.

“Owner” means, without distinction, the Registered Owner and the Beneficial Owner.

“Parity Bonds” means the Outstanding Parity Bonds, the Bonds, and any Future Parity Bonds.

“Parity Conditions” means the conditions precedent to the issuance of Future Parity Bonds set forth in Section 15 of the 2016 Bond Resolution and Section 15 of this resolution.

“Permitted Investments” means, to the extent permitted and subject to any conditions and restrictions imposed by laws of the State and by the Board, obligations permitted as legal investments of the District by the laws of the State.

“Prior Lien Obligation” means the Repayment Contract.

“Purchaser” means the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a private placement, underwriter, or placement agent in a negotiated sale of the Bonds.

“Rate Stabilization Fund” means the fund of that name authorized to be created pursuant to the 2016 Bond Resolution and Section 9(c) of this resolution.

“Rating Agency” means any nationally recognized rating agency then maintaining a rating on the Bonds at the request of the District.

“Record Date” means the Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date means the Registrar’s close of business on the date on which the Registrar sends the notice of redemption in accordance with Section 7 of this resolution.

“Redemption Date” means December 1, 2026, or any date thereafter selected by the Designated Representative that is not less than 20 days or more than 60 days after the Issue Date.

“Refunded Bonds” means the Refunding Candidates selected by the Designated Representative to be refunded with the proceeds of the Bonds.

“Refunding Candidates” means the outstanding 2016 Bonds.

“Refunding Plan” means:

- (a) the deposit with the registrar for the 2016 Bonds (or, if so determined by the Designated Representative, with the Refunding Trustee) of proceeds of the Bonds (together with the District Contribution, if so determined by the Designated Representative);
- (b) the purchase by the Refunding Trustee of Acquired Obligations (if so determined by the Designated Representative) and the application of the principal of and interest on any such Acquired Obligations and any District Contribution to the call, payment, and redemption of the Refunded Bonds on the Redemption Date at a price equal to the principal amount of the Refunded Bonds plus accrued interest; and
- (c) the payment of the costs of issuance and sale of the Bonds and the administrative costs of the refunding.

“Refunding Trust Agreement” means a refunding trust or escrow agreement between the District and the Refunding Trustee, dated the Issue Date, providing for the carrying out of the Refunding Plan (if so determined by the Designated Representative).

“Refunding Trustee” means U.S. Bank Trust Company, National Association, serving as refunding trustee to carry out the Refunding Plan (if so determined by the Designated Representative).

“Registered Owner” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the District utilizes the book-entry only system for the Bonds under the Letter of Representations, Registered Owner means the Securities Depository.

“Registrar” means the Fiscal Agent, or any successor Registrar selected by the District.

“Repayment Contract” means the Amendatory, Supplemental, and Replacement Repayment Contract dated December 18, 1968, between the United States of America, acting through the Department of the Interior, Bureau of Reclamation, and the District, as it may be amended or extended from time to time, currently Contract No. 14-06-100-6419.

“Reserve Fund” means the East Columbia Basin Irrigation District Revenue Bond Reserve Fund, a special fund of the District previously created by Resolution No. 2006-12, adopted by the Board on August 23, 2006, to secure the payment of the principal of and interest on any Parity Bonds.

“Reserve Insurance” means, in lieu of cash and investments, a non-cancelable policy of reserve insurance, surety bond, or similar instrument obtained by the District from a provider rated, at the time of issuance of such reserve insurance, in one of the two highest rating categories by either Moody’s or S&P in an amount equal to part or all of the Reserve Requirement for any Parity Bonds then outstanding for which insurance is obtained.

“Reserve Requirement” means, as of the date of calculation, for all Parity Bonds secured by the Reserve Fund, the least of (1) 10% of the proceeds of those bonds, (2) Maximum Annual Debt Service on those bonds, and (3) 1.25 times Average Annual Debt Service on those bonds. For the purposes of determining Average Annual Debt Service for calculating the Reserve Requirement, all Parity Bonds secured by the Reserve Fund payable or proposed to be paid from the Debt Service Fund shall be treated as a single issue and the number of years to the last scheduled maturity date for any of those issues shall be used as the denominator.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

“S&P” means S&P Global Ratings, and its successors and assigns.

“SEC” means the United States Securities and Exchange Commission.

“Securities Depository” means DTC, any successor thereto, any substitute securities depository selected by the District that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.

“System of Registration” means the system of registration for the District’s bonds and other obligations set forth in Resolution No. 2006-13, adopted by the Board on August 23, 2006.

“State” means the State of Washington.

“Term Bond Maturity Year” means any year in which maturing bonds of a particular issue are Term Bonds.

“Term Bonds” means Parity Bonds of any single issue or series described as Term Bonds in the resolution authorizing their issuance or sale.

“Treasurer” means the person appointed by the Board and serving as Treasurer of the District pursuant to RCW 87.03.440.

“ULID” means any utility local improvement district or local improvement district the assessments in which are pledged to be paid into the Debt Service Fund.

“ULID Assessments” means all assessments and interest and penalties thereon levied in any ULID (less any prepaid assessments permitted by law to be paid into a construction fund or account).

“Undertaking” means the undertaking to provide continuing disclosure entered into pursuant to Section 18 of this resolution.

Section 2. Findings and Determinations. The Board takes note of the following facts and makes the following findings and determinations:

(a) *District Background.* The District is an irrigation district organized and existing under the laws of the State. Pursuant to 43 U.S.C. § 498, RCW 87.03.140, and the Repayment Contract, the Department of the Interior, Bureau of Reclamation (the “United States”), on December 18, 1968, transferred the care, operation, and maintenance of the Irrigation Facilities to the District, and the District is obligated, without expense to the United States, to care for, operate, and maintain the Irrigation Facilities, and to make any and all repairs that are necessary to maintain the Irrigation Facilities in good and efficient condition. Pursuant to RCW 87.28.010, the District is authorized to issue and sell bonds to pay the costs of improvements to the Irrigation Facilities, which bonds shall be payable from revenues derived from rates or tolls and charges or contract payments imposed and collected by the District for irrigation services.

(b) *The Refunding.*

(1) Pursuant to the 2016 Bond Resolution, the District previously issued the 2016 Bonds to: (A) pay a portion of the costs of designing and constructing the EL 47.5 Delivery System and other irrigation facility improvements and additions under the District’s Odessa Subarea Groundwater Replacement Program; (B) carry out the refunding of certain of the District’s outstanding revenue bonds and pay the administrative costs of such refunding; (C) capitalize a portion of the interest on the 2016 Bonds; (D) provide for a portion of the Reserve Requirement; and (E) pay costs of issuance and sale of the 2016 Bonds. In the 2016 Bond Resolution, the District reserved the right to redeem the 2016 Bonds prior to their stated maturity at any time on or after December 1, 2026.

(2) After due consideration, it appears to the Board that all or a portion of the Refunding Candidates may be refunded pursuant to chapter 39.53 RCW by the issuance and sale of the Bonds to effect a savings by the difference between the principal and interest cost over the life of the Bonds and the principal and interest cost over the life of the Refunded Bonds.

(c) *The Bonds.* Based on the foregoing, it is necessary and in the best interests of the District to issue and sell the Bonds to: (1) carry out the Refunding Plan; and (2) pay the costs of issuance and sale of the Bonds.

(d) *Parity Bonds and Future Parity Bonds.* Pursuant to the 2016 Bond Resolution, the District issued the Outstanding Parity Bonds and reserved the right to issue Future Parity Bonds

on parity of lien with the Outstanding Parity Bonds if the Parity Conditions are met at the time of issuance of the Future Parity Bonds. The Board determines that: (1) the Bonds will be issued for the purpose of refunding and redeeming the Refunded Bonds in accordance with the Refunding Plan; (2) no deficiency exists in the Debt Service Fund or the Reserve Fund; (3) this resolution provides that all ULID Assessments shall be paid directly into the Debt Service Fund; (4) this resolution provides for the payment of the principal of and interest on the Bonds (including any mandatory redemption requirements) out of the Debt Service Fund; (5) provision has been made for the funding of the Reserve Requirement upon the issuance of the Bonds; and (6) there shall be on file with the District a certificate, if any, required by the Parity Conditions upon issuance of the Bonds. Accordingly, the Parity Conditions will be satisfied on the Issue Date and the Bonds shall be issued as Future Parity Bonds to the extent there are Outstanding Parity Bonds. If all Refunding Candidates are included in the Refunding Plan, the Parity Conditions will not be applicable on the Issue Date, but will be applicable to any Future Parity Bond in accordance with Section 15 of this resolution.

(e) *Sufficiency of Gross Revenue.* The Board finds and determines that in fixing the amounts to be paid into the Debt Service Fund and the Reserve Fund for the Bonds, the Board has had due regard for the Operating and Maintenance Expenses and the amounts due on the Prior Lien Obligation and the Outstanding Parity Bonds and declares that the Board is not requiring to be set aside into the Debt Service Fund and the Reserve Fund a greater amount than in its judgment will be available over and above such Operating and Maintenance Expenses and amounts due on the Prior Lien Obligation and the Outstanding Parity Bonds.

(f) *Delegation Authority.* RCW 39.46.040 provides that a resolution authorizing the issuance of bonds may authorize an officer or employee of the District to serve as the District's designated representative and to accept, on behalf of the District, an offer to purchase those bonds so long as the acceptance of such offer is consistent with terms established by a resolution that establishes the following terms for the bonds (or parameters with respect thereto): the amount, date, denominations and designations, interest rates, payment dates, final maturity, redemption rights, price, minimum savings for refunding bonds (if applicable), and any other terms and conditions deemed appropriate by the Board.

(g) *Repeal of Prior Authorization.* Pursuant to Resolution No. 2026-08, adopted by the Board on July 1, 2026, the District authorized the issuance of bonds, and the Board now finds it to be in the best interest of the District to repeal such authorization to specify certain parameters.

Section 3. Authorization of Bonds. The District is authorized to issue revenue bonds to provide the funds necessary to (a) carry out the Refunding Plan and (b) pay the costs of issuance and sale of the Bonds.

Section 4. Appointment of Designated Representative; Description of the Bonds. The Secretary-Manager of the District, or in the absence or disability of the Secretary-Manager, the Treasurer, is appointed as the Designated Representative and is authorized to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the District, as further specified in Section 17 of this resolution, and to approve the Final Terms within the parameters established in this section. The Final Terms shall be evidenced by the Certificate of Designated Representative.

(a) *Principal Amount.* The Bonds shall not exceed the aggregate principal amount of \$15,000,000.

(b) *Date.* Each Bond shall be dated the Issue Date, which date may not be later than one year after the effective date of this resolution.

(c) *Denominations and Designation.* The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.

(d) *Interest Rate(s).* Each Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds. No rate of interest for any Bond may exceed 5.25%, and the true interest cost to the District for the Bonds may not exceed 4.75%.

(e) *Payment Dates.* Interest shall be payable semiannually on dates acceptable to the Designated Representative, commencing no later than one year following the Issue Date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments annually thereafter, on dates acceptable to the Designated Representative.

(f) *Final Maturity.* The Bonds shall mature no later than June 1, 2048.

(g) *Redemption Rights.* The Designated Representative may approve in the Bond Purchase Agreement provisions for the optional and mandatory redemption of Bonds, subject to the following:

(i) Optional Redemption. Any Bond may be designated as being (A) subject to redemption at the option of the District prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement; or (B) not subject to redemption prior to its maturity date. If a Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.

(ii) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Agreement.

(h) *Price.* The purchase price for the Bonds may not be less than 98% or more than 130% of the stated principal amount of the Bonds.

(i) *Savings.* The Bonds must achieve a minimum of 3.00% net present value savings (after paying all costs of issuance and refunding) over the scheduled principal and interest of the Refunded Bonds, giving consideration to the interest of fixed maturities of the Bonds and the Refunded Bonds, the costs of issuance of the Bonds, and the known earned income from the investment of the proceeds of the Bonds in Acquired Obligations, pending redemption of the Refunded Bonds.

(j) *Other Terms and Conditions.* The Designated Representative may determine whether it is in the District's best interest to provide for bond insurance, Reserve Insurance, or other credit enhancement and may accept, on behalf of the District, such additional terms, conditions, and covenants as may be required by the enhancement provider, if consistent with the provisions of this resolution. The Designated Representative is authorized to take such additional actions as may be necessary or convenient for the issuance of the Bonds pursuant to the terms of this resolution.

Section 5. Registrar; Registration and Transfer of Bonds.

(a) *Registration of Bonds.* Each Bond shall be issued only in registered form as to both principal and interest and the ownership of each Bond shall be recorded on the Bond Register.

(b) *Registrar; Duties.* The Fiscal Agent is appointed as initial Registrar. The Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the District at all times. The Registrar is authorized, on behalf of the District, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the District's paying agent for the Bonds, and to carry out all of the Registrar's powers and duties under this resolution and the System of Registration. The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on each Bond. The Registrar may become an Owner with the same rights it would have if it were not the Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) *Bond Register; Transfer and Exchange.* The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner. A Bond surrendered to the Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same interest rate and maturity. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the redemption date.

(d) *Securities Depository; Book-Entry Only Form.* If a Bond is to be issued in book-entry only form, DTC shall be appointed as initial Securities Depository and each such Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the District; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the District, the District may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the District does not appoint a substitute Securities Depository, or (ii) the District terminates the services of

the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this resolution.

Neither the District nor the Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the District nor the Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Registrar to the Securities Depository.

Section 6. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository are payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Registrar mailed on the interest payment date, to the Registered Owner at the address or account appearing on the Bond Register on the Record Date. However, the District is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 7. Redemption Provisions and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds shall be subject to redemption at the option of the District on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Section 4 of this resolution.

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in the Bond Purchase Agreement, consistent with the parameters set forth in Section 4 of this resolution and except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Agreement. If a Term Bond is redeemed under the optional redemption provisions, defeased, or purchased by the District and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased, or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The District shall determine the manner in which the credit is to be allocated and shall notify the Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds are to be redeemed at the option of the District, the District shall select the maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity are to be redeemed, the Securities Depository shall select Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Registrar shall select all other Bonds to be redeemed randomly in such manner as the Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be

redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) *Notice of Redemption.* Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the Treasurer shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

(e) *Rescission of Optional Redemption Notice.* In the case of an optional redemption, the notice of redemption may state that the District retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time on or prior to the date fixed for redemption. Any notice of optional redemption that is so rescinded shall be of no effect, and each Bond for which a notice of optional redemption has been rescinded shall remain outstanding.

(f) *Effect of Redemption.* Interest on each Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Debt Service Fund or in a trust account established to refund or defease the Bond.

(g) *Purchase of Bonds.* The District reserves the right to purchase any or all of the Bonds on the open market or offered to the District at any time at any price acceptable to the District plus accrued interest to the date of purchase.

Section 8. Failure to Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the District shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Debt Service Fund or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 9. Funds and Accounts.

(a) *Gross Revenue.* The Gross Revenue shall be held by the Treasurer. All Gross Revenue shall be deposited by the Treasurer immediately upon receipt in the applicable fund and used and applied in the order of priority set forth in Section 11 of this resolution.

(b) *Debt Service Fund; Reserve Fund.* The Debt Service Fund and the Reserve Fund have previously been created in the office of the Treasurer, which funds are to be drawn upon for the sole purpose of paying and securing payment of the principal of and interest on any Parity Bonds. All money payable to the Debt Service Fund and the Reserve Fund shall be held and separately accounted for by the District which, at least by the date on which any payment must be made from the Debt Service Fund or the Reserve Fund, shall pay the amount of money necessary to make that payment to the Registrar.

For so long as any Parity Bonds are outstanding against the Debt Service Fund and the Reserve Fund, the District covenants to set aside and pay into the Debt Service Fund and the Reserve Fund, and the Board authorizes and directs the Treasurer to transfer into the Debt Service Fund and Reserve Fund, all ULID Assessments upon their collection and out of the Net Revenue, after payment of the amounts due on the Prior Lien Obligation, certain fixed amounts, without regard to any fixed proportion, namely:

(i) Into the Debt Service Fund at least one business day prior to each annual June 1 principal payment or mandatory redemption date, the principal, including mandatory redemption or sinking fund requirements for Term Bonds, to become due and payable on the Parity Bonds then outstanding on the next succeeding June 1 principal payment or mandatory redemption date, and at least one business day prior to each semiannual June 1 and December 1 interest payment date, the interest to become due and payable on the next succeeding semiannual June 1 or December 1 interest payment date, until the Parity Bonds, both principal and interest, are paid in full; and

(ii) Into the Reserve Fund, on the date of issue of the Bonds, Bond proceeds in an amount sufficient to fund the Reserve Requirement after taking into account Reserve Insurance and Permitted Investments already held therein, and thereafter amounts necessary to fund the Reserve Requirement on the date of issuance of any Future Parity Bonds after taking into account all funds already on deposit therein.

Notwithstanding clause (ii) above, the deposit to be made in the Reserve Fund shall be decreased for any issue of Parity Bonds when and to the extent that the District provides for Reserve Insurance to secure the payment of principal of and interest on that issue of Parity Bonds.

The District covenants and agrees that it will at all times maintain in the Reserve Fund an amount equal to the Reserve Requirement, except for withdrawals therefrom as authorized herein and except that the amount in the Reserve Fund may be reduced at any time so long as the amount remaining in the Reserve Fund shall meet the requirements of this section (as determined by the Treasurer), until there is a sufficient amount in the Debt Service Fund and Reserve Fund to pay the principal of and interest on all outstanding Parity Bonds, at which time the money in the Reserve Fund may be used to pay that principal and interest. Money and investments also may be withdrawn from the Reserve Fund when and to the extent the District has provided for Reserve Insurance in lieu of such money and investments.

If there is a deficiency in the Debt Service Fund to meet maturing installments of either principal or interest on any Parity Bonds outstanding, that deficiency shall be made up from the Reserve Fund by the withdrawal of cash therefrom. Any deficiency created in the Reserve Fund by reason of any withdrawal shall be made up by the District within one year after such withdrawal from the Net Revenue first available after making necessary provisions for the required payments into the Debt Service Fund.

All money in the Debt Service Fund and the Reserve Fund may be kept in cash or invested in Permitted Investments maturing not later, in the case of money in the Debt Service Fund, than when such money will be required to meet payments of principal and interest on the immediately succeeding Parity Bond payment or redemption date and, in the case of money in the Reserve Fund, not later than the last maturity of any outstanding Parity Bonds. Income from investments in the Debt Service Fund shall be deposited in that fund. Income from investments in the Reserve Fund shall be deposited in that fund until the amount therein is equal to the Reserve Requirement of all Parity Bonds, and thereafter any money in excess of the Reserve Requirement may be withdrawn and deposited in the Debt Service Fund and spent for the purpose of retiring Parity Bonds or may be deposited in any other fund and spent for any other lawful District purpose.

Notwithstanding the provisions for the deposit of earnings, any earnings which are subject to a federal tax or rebate requirement, as determined by the District, shall be withdrawn from the Debt Service Fund and Reserve Fund upon direction of the District for deposit into a separate fund or account for that purpose.

In no event shall any money in the Debt Service Fund or the Reserve Fund or any other money reasonably expected to be used to pay principal or interest on the Bonds be invested at the direction of the District at a yield which would cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code.

If the District fails to set aside and pay into the Debt Service Fund or the Reserve Fund the amounts above set forth, the owner of any of the outstanding Parity Bonds may bring an action against the District and compel such setting aside and payment.

The District may establish, for one or more series of Future Parity Bonds, a separate reserve requirement (which may be zero), to be held in a separate reserve fund, for the purpose of securing those Future Parity Bonds, and those Future Parity Bonds shall not be secured by amounts in the Reserve Fund or by any Reserve Insurance credited to the Reserve Fund.

(c) *Rate Stabilization Fund.* The District may at any time, consistent with Sections 14 and 15 of this resolution, create the Rate Stabilization Fund and deposit therein amounts from Gross Revenue and any other money received by the District and available to be used for that purpose, excluding proceeds of any Future Parity Bonds. The District may at any time withdraw money from the Rate Stabilization Fund for inclusion in the Net Revenue for the current fiscal year of the District, except that the total amount withdrawn from the Rate Stabilization Fund in any calendar year may not exceed the total debt service of the District in that year. Such deposits or withdrawals may be made up to and including the date 90 days after the end of the calendar year for which the deposit or withdrawal will be included as Net Revenue. Earnings from investments in the Rate Stabilization Fund shall be deposited in that fund and shall not be included as Net

Revenue unless and until withdrawn from that fund as provided in this section. The District may also deposit earnings from investments in the Rate Stabilization Fund into any District fund as authorized by resolution, and such deposits shall be included as Net Revenue in the year of deposit.

Section 10. Pledge of Revenue; Lien Position of Bonds. The Net Revenue and all ULID Assessments, if any, are pledged for the payment of the Parity Bonds.

The pledge of the District to pay the Parity Bonds shall constitute a lien and charge upon the Net Revenue prior and superior to any other charge whatsoever, except that the lien and charge of the Parity Bonds shall be junior and inferior to the lien and charge of the Prior Lien Obligation. Subject to the prior lien and charge on the Net Revenue of the Prior Lien Obligation, the Net Revenue of the District and all ULID Assessments are pledged for the payment of the Parity Bonds. The Bonds do not constitute an indebtedness of the District within the meaning of the constitutional and statutory limitations, and are not general obligations of the District.

The Bonds shall constitute a valid claim of the Owners thereof against the Debt Service Fund and the Reserve Fund and the fixed amount of Net Revenue pledged thereto.

Section 11. Flow of Funds. All ULID Assessments shall be paid into the Debt Service Fund and used as provided in Section 9(b).

The Gross Revenue shall be used by the District for the following purposes only and shall be applied in the following order of priority:

- (a) To pay the Operating and Maintenance Expenses;
- (b) To make all required payments for amounts due on the Prior Lien Obligation;
- (c) To make all required payments into the Debt Service Fund for all Parity Bonds payable out of the Debt Service Fund, including all mandatory redemption payments required to be made for the payment of Term Bonds;
- (d) To make all required payments into the Reserve Fund and to make all payments required to be made pursuant to a reimbursement agreement in connection with Reserve Insurance, except that if there is not sufficient money to make all payments under reimbursement agreements, the payments will be made on a pro rata basis;
- (e) To make all required payments into any separate reserve funds that may be established to secure a particular series of Future Parity Bonds;
- (f) To make all payments required to be made into any revenue bond redemption fund or debt service account or Reserve Fund created to pay and secure the payment of the principal of and interest on any revenue bonds, revenue warrants, or other revenue obligations of the District having a lien upon the Gross Revenue junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds; and
- (g) To retire by redemption or purchase in the open market any outstanding revenue bonds or revenue warrants of the District, to make necessary additions, betterments,

improvements, and repairs to or extensions and replacements of the Irrigation Facilities, to make deposits into the Rate Stabilization Fund, or for any other lawful District purposes.

Section 12. Form and Execution of Bonds.

(a) *Form of Bonds; Signatures and Seal.* Each Bond shall be prepared in a form consistent with the provisions of this resolution and State law. Each Bond shall be signed by the President of the Board and Secretary-Manager of the District, either or both of whose signatures may be manual or in facsimile, and the seal of the District or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the District authorized to sign bonds before the Bond bearing the officer's manual or facsimile signature is authenticated by the Registrar, or issued or delivered by the District, that Bond nevertheless may be authenticated, issued, and delivered and, when authenticated, issued, and delivered, shall be as binding on the District as though that person had continued to be an officer of the District authorized to sign bonds. Any Bond also may be signed on behalf of the District by any person who, on the actual date of signing of the Bond, is an officer of the District authorized to sign bonds, although that person did not hold the required office on its Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: "Certificate Of Authentication. This Bond is one of the fully registered East Columbia Basin Irrigation District, Adams County, Washington, Refunding Revenue Bonds, described in the Bond Resolution." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated, and delivered and is entitled to the benefits of this resolution.

Section 13. Covenants of the District. The District covenants and agrees with the Registered Owner of each of the Bonds as follows:

(a) *Levy and Collect Assessments and Rates or Tolls and Charges; Pay Operating and Maintenance Expenses and Debt Service.* The District will establish, maintain, and collect such assessments and rates or tolls and charges levied and collected in the same manner as are assessments for service by its Irrigation Facilities in an amount which, together with the collection of ULID Assessments, other Gross Revenue, and other District revenues available and directed by the Board to be used therefor, will make available annually an amount sufficient (i) to pay Operating and Maintenance Expenses, (ii) to pay amounts due on the Prior Lien Obligation, (iii) to pay debt service on the Parity Bonds outstanding, (iv) to maintain the Reserve Requirement as required by Section 9(b) of this resolution, and (v) to make and satisfy any other payments and funding requirements required by this resolution. The District will pay all Operating and Maintenance Expenses, the amounts due on the Prior Lien Obligation, and the debt service requirements for all Parity Bonds outstanding and otherwise meet the obligations of the District as set forth in this resolution.

(b) *Maintain Irrigation Facilities in Good Repair.* The District will at all times maintain the Irrigation Facilities in good repair, working order, and condition, and will at all times

operate the Irrigation Facilities and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) *Keep Proper Accounts and Records.* The District will, while any Parity Bonds remain outstanding, keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the Irrigation Facilities, and the District will grant any Owners of at least 25% of the outstanding Bonds the right at all reasonable times to inspect the Irrigation Facilities and all records, accounts, and data of the District related thereto.

(d) *Carry Insurance or Self Insure.* The District shall, to the extent insurance coverage is available at reasonable cost with responsible insurers and to the extent that similar insurance is usually carried by utilities operating like properties, keep the Irrigation Facilities and the operation thereof insured, with policies payable to the District, against the risks of direct physical loss, damage to or destruction of the Irrigation Facilities or any part thereof, and against accidents, casualties, or negligence, including liability insurance and employers' liability. For purposes of this Section 13(d) only, the term "Irrigation Facilities," with respect to which insurance against the risks of physical loss, damage to, or destruction thereof, whether by accident, casualty, negligence, or otherwise is required to be carried, shall be limited to buildings, equipment, and vehicles serviceable to the District and pumping stations and equipment. The District shall maintain replacement reserves in an amount not less than the amount required by the Repayment Contract or implement a self-insurance program for those portions and operations of the Irrigation Facilities for which insurance at reasonable cost and with responsible insurers is not available, at least to the extent that similar self-insurance programs for such portions and operations of the Irrigation Facilities are usually implemented by utilities operating like properties. If the District self-insures:

(i) the self-insurance program shall have been reviewed by a nationally recognized independent actuary, insurance company, or broker that has actuarial personnel experienced in the area of insurance for which the District is self-insuring ("Insurance Consultant");

(ii) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by an Insurance Consultant; and any deficiencies in any self-insured claims reserve fund will be remedied in accordance with the recommendation of the Insurance Consultant;

(iii) the self-insured claims reserve fund shall be held in a separate trust fund by an independent trustee; and

(iv) in the event the current funding of the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by an Insurance Consultant, shall be maintained.

The cost of such self-insurance and the premiums on such insurance policies are declared to be normal Operating and Maintenance Expenses.

(e) *Not Furnish Free Irrigation Water.* The District will not furnish irrigation water to any customer of the Irrigation Facilities whatsoever free of charge, and shall not deliver irrigation

water to any customer in any year until the customer has paid in full its assessments and rates or tolls and charges for service from the Irrigation Facilities for that year. The District also shall take such actions as may be necessary and feasible to enforce collection of all collectible delinquent accounts of its Irrigation Facilities.

(f) *Sale or Disposition of Property or Irrigation Facilities.* The District will not mortgage, sell, lease, or in any manner encumber or dispose of all the property of the Irrigation Facilities, unless provision is made for payment into the Debt Service Fund or a defeasance escrow account of a sum sufficient to pay or defease (under Section 16 of this resolution) the principal of and premium, if any, and interest on all outstanding Parity Bonds, nor will the District mortgage, sell, lease, or in any manner encumber or dispose of any part of the Irrigation Facilities that is used, useful, and material to the operation of the Irrigation Facilities unless provision is made for the immediate and full replacement thereof or for payment into the Debt Service Fund of an amount which shall bear the same ratio to the amount of the outstanding Parity Bonds as the revenue available for debt service for those Parity Bonds for the twelve months preceding such sale, lease, encumbrance, or disposal from the portion of the Irrigation Facilities so sold, leased, encumbered, or disposed of bears to the revenue available for debt service for those Parity Bonds from the entire Irrigation Facilities for the same period. Any such money so paid into the Debt Service Fund shall be used to retire outstanding Parity Bonds payable therefrom at the earliest possible date.

Notwithstanding any other provision of this subsection, the District in its discretion may sell or otherwise dispose of any of the works, plant, properties, or facilities of the Irrigation Facilities or any real or personal property comprising a part of the same which shall have become unserviceable, inadequate, obsolete, or unfit to be used in the operation of the Irrigation Facilities, or no longer necessary, material to, or useful to the operation of the Irrigation Facilities, or whose depreciated cost value in any given year is less than 5% of the total assets of the Irrigation Facilities, without making any deposits in the Debt Service Fund. In no event shall such proceeds be treated as Gross Revenue for purposes of this resolution.

(g) *ULID Assessments.* If the District creates a ULID, all ULID Assessments shall be paid into the Debt Service Fund and may be used to pay the principal of and interest on Parity Bonds without those assessments being particularly allocated to the payment of the principal of and interest on any particular issue of Parity Bonds. Nothing in this resolution or this subsection shall be construed to prohibit the District from issuing revenue bonds having a lien subordinate to the lien of the Parity Bonds and pledging as security for their payment assessments levied in any utility local improvement districts which may have been specifically created to pay part of the cost of improvements to the Irrigation Facilities for which those subordinate lien bonds were specifically issued.

(h) *Remedies for Events of Default.* If any Event of Default occurs and is continuing, the owner of any outstanding Parity Bonds may, to the extent permitted by law, bring appropriate court action to compel the District to take such action as may be required to remedy that Event of Default and/or to enforce the lien of the Parity Bonds on the Net Revenue and ULID Assessments, if any, pledged for payment of those bonds.

Section 14. Tax Covenants.

(a) *Preservation of Tax Exemption for Interest on Bonds.* The District covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the District treated as proceeds of the Bonds that will cause interest on the Bonds to be included in gross income for federal income tax purposes. The District also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bonds.

(b) *Post-Issuance Compliance.* The Treasurer is authorized and directed to revise and implement the District's written procedures to facilitate compliance by the District with the covenants in this resolution and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bonds from being included in gross income for federal tax purposes.

Section 15. Issuance of Future Parity Bonds. The District further covenants and agrees that for as long as any of the Bonds are outstanding it will not create any special fund or funds for the payment of the principal of and interest on any other bonds which would rank on a parity with or have priority over the payments to be made out of the Net Revenue into the Debt Service Fund and Reserve Fund and any payments of ULID Assessments and will not issue and sell any Future Parity Bonds, except that the District reserves the right for the purpose of acquiring, constructing, and installing additions and improvements to and extensions and betterments of, acquiring necessary equipment for, or making necessary replacements of or repairs or capital improvements to the Irrigation Facilities, for the purpose of exchanging or purchasing and retiring prior to or at their maturity any outstanding revenue bonds of the District, or for other purposes then permitted by law, to issue Future Parity Bonds and to make payments into the Debt Service Fund and Reserve Fund therefor upon compliance with the following conditions:

(a) At the time of issuance of such Future Parity Bonds there is no deficiency in the Debt Service Fund or the Reserve Fund;

(b) The resolution providing for the issuance of such Future Parity Bonds shall provide that all ULID Assessments shall be paid directly into the Debt Service Fund;

(c) The resolution providing for the issuance of such Future Parity Bonds shall provide for the payment of the principal (including mandatory redemption requirements for Term Bonds) thereof and interest thereon out of the Debt Service Fund and shall provide for regular payments into the Debt Service Fund out of Net Revenue and ULID Assessments to meet those mandatory redemption requirements for Term Bonds;

(d) The resolution providing for the issuance of such Future Parity Bonds shall provide for the deposit into the Reserve Fund (if such Future Parity Bonds are secured by the Reserve Fund) of (i) an amount equal to the Reserve Requirement for those Future Parity Bonds from the Future Parity Bond proceeds and/or any other funds of the District available for that purpose or (ii) Reserve Insurance or an amount plus Reserve Insurance equal to the Reserve Requirement for

those Future Parity Bonds. If such Future Parity Bonds are issued for the purpose of refunding outstanding Parity Bonds, the amount of such reserve allocated to such bonds being so refunded shall be retained and used as a reserve for such refunding Future Parity Bonds, or shall remain in the Reserve Fund to be used as the reserve for the remaining bonds payable from the Debt Service Fund, or shall be used to retire outstanding Parity Bonds pursuant to the refunding plan, in which case such reserve amount shall be replaced in the same manner and within the same time as required for additional Future Parity Bonds. No Reserve Insurance may be used to satisfy the Reserve Requirement for Future Parity Bonds unless (i) the Reserve Insurance instrument is non-cancelable and (ii) the Reserve Insurance provider as of the time of issuance of such Reserve Insurance is rated in one of the two highest rating categories by either Moody's or S&P;

(e) (i) If the Future Parity Bonds then proposed to be issued are being issued to finance repairs, renewals, additions, and betterments to and extensions and improvements of the existing Irrigation Facilities, there shall be on file with the District a certificate from a Consultant or an independent professional engineer licensed in the State and experienced in the design, construction, and operation of municipal utilities showing that the Net Revenue for any 12 consecutive calendar months out of the immediately preceding 24 calendar months, together with the increase in revenues reasonably anticipated to result from any change in the schedule of irrigation water assessments and rates or tolls and charges to be put into effect prior to the date of delivery of such Future Parity Bonds, is sufficient to pay debt service on the Parity Bonds then outstanding and the Future Parity Bonds then proposed to be issued, except that if the Future Parity Bonds (or a properly allocable portion of the Future Parity Bonds) proposed to be so issued are for the sole purpose of refunding outstanding revenue bonds payable from the Debt Service Fund, such certification shall not be required if the amount required for the payment of the principal and interest for the refunding bonds is not increased by more than \$5,000 in each year over the amount required for the bonds to be refunded thereby and the maturities of those refunding bonds are not extended beyond the maturities of the bonds to be refunded thereby; or

(ii) If the Future Parity Bonds then proposed to be issued are being issued to finance the acquisition or construction of new Irrigation Facilities, there shall be on file with the District a certificate from a Consultant or an independent professional engineer licensed in the State and experienced in the design, construction, and operation of municipal utilities, showing that in his or her professional opinion, the Net Revenue for any 12 consecutive calendar months out of the immediately preceding 24 calendar months, plus the additional revenue anticipated to be received from property owners to be served by the new Irrigation Facilities for which the Future Parity Bonds are to be issued, together with the additional ULID Assessments anticipated to be collected in any ULID created to pay in whole or in part such Future Parity Bonds proposed to be issued, and together with the increase in revenues reasonably anticipated to result from any change in the schedule of irrigation water assessments and rates or tolls and charges to be put into effect prior to the date of delivery of such Future Parity Bonds, are deemed sufficient to pay debt service on the Parity Bonds then outstanding and the Future Parity Bonds then proposed to be issued.

Nothing contained in the provisions for Future Parity Bonds shall prevent the District from issuing revenue bonds having a junior lien on the Net Revenue pledged into the Debt Service Fund and Reserve Fund or from pledging the payment of assessments in any utility local improvement district or local improvement district (the assessments in which are not pledged to be paid into the Debt Service Fund) into a bond redemption fund or account created to pay and secure the payment of the principal of and interest on such junior lien bonds as long as such assessments are levied to pay part or all of the cost of the improvements being constructed out of the proceeds of the sale of such junior lien bonds.

Section 16. Refunding or Defeasance of Bonds. The District may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include: (a) paying when due the principal of and interest on any or all of the Bonds (the “defeased Bonds”); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the District sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund, or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this resolution, in the Net Revenue and ULID Assessments, and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the District may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bonds to any lawful purpose, subject only to the rights of the Owners of any other Parity Bonds then outstanding.

Unless otherwise specified by the District in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this resolution for the redemption of Bonds.

Section 17. Use of Bond Proceeds; the Refunding Plan.

(a) *Appointment of Refunding Trustee.* The Designated Representative is authorized to appoint the Refunding Trustee.

(b) *Selection of Refunded Bonds and Redemption Date.* The Designated Representative is authorized and directed to select the Refunding Candidates to be refunded by the Bonds. The Designated Representative may choose to refund fewer than all of the Refunding Candidates. The Refunded Bonds and the Redemption Date, as selected by the Designated Representative, shall be identified in a Refunding Plan set forth in the Refunding Trust Agreement.

(c) *Use of Bond Proceeds; Acquisition of Acquired Obligations.* On the Issue Date, the proceeds of the Bonds shall be deposited immediately upon the receipt thereof with the registrar for the 2016 Bonds (or, if so determined by the Designated Representative, with the Refunding Trustee) and used to discharge the obligations of the District relating to the Refunded Bonds under the 2016 Bond Resolution by providing for the payment of the amounts required to be paid by the

Refunding Plan. As determined by the Designated Representative, such obligations shall be discharged fully by either (i) the payment when due by the registrar for the 2016 Bonds of the amount required to be paid by the Refunding Plan or (ii) to the extent practicable, the Refunding Trustee's simultaneous purchase of Acquired Obligations, bearing such interest and maturing as to principal and interest in such amount and at such time so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. Any such Acquired Obligations shall be listed and more particularly described in an exhibit to be attached to the Refunding Trust Agreement. Any Bond proceeds or other such money deposited with the Refunding Trustee not needed to carry out the Refunding Plan shall be returned to the District as soon as practicable after the Issue Date and deposited in the Bond Fund to pay interest on the Bonds on the first interest payment date.

(d) *Substitution of Acquired Obligations.* The District reserves the right at any time to substitute cash or other direct, noncallable obligations of the United States of America ("Substitute Obligations") for any of the Acquired Obligations if the District obtains (i) an opinion of Bond Counsel to the effect that the interest on the Bonds and the Refunded Bonds will remain excluded from gross income for federal income tax purposes under Sections 103, 148 and 149(d) of the Code, and (ii) a verification by a nationally recognized independent certified public accounting firm that such substitution will not impair the timely payment of the amounts required to be paid by the Refunding Plan. Any surplus money resulting from the sale, transfer, other disposition or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the District to be used for any lawful purpose.

(e) *Administration of Refunding Plan.* The Refunding Trustee is authorized to purchase the Acquired Obligations, if so directed by the Designated Representative, and to make the payments required to be made by the Refunding Plan (if so determined by the Designated Representative) from the Acquired Obligations and money deposited with the Refunding Trustee pursuant to this resolution. All Acquired Obligations and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested, and applied in accordance with the provisions of the 2016 Bond Resolution, this resolution, chapter 39.53 RCW and other applicable statutes of the State, and the Refunding Trust Agreement.

(f) *Refunding Trust Agreement.* The Designated Representative is authorized to execute and deliver to the Refunding Trustee a Refunding Trust Agreement setting forth the duties, obligations, and responsibilities of the Refunding Trustee in connection with carrying out the Refunding Plan (if so determined by the Designated Representative).

(g) *Replacement Bonds.* The District may issue replacement bonds in principal amounts reflecting the respective portions of the 2016 Bonds that are refunded and that are to remain outstanding. The replacement bonds shall be printed, executed, and authenticated in the same manner as the 2016 Bonds.

(h) *Call for Redemption.* The District calls the Refunded Bonds for redemption on the Redemption Date. Such call for redemption shall be irrevocable after the delivery of the Bonds to the Purchaser. The proper officials of the District are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required by the 2016 Bond Resolution, to effect the redemption prior to their maturity of the Refunded Bonds.

(i) *Additional Findings with Respect to Refunding.* Prior to approving the sale of the Bonds, the Designated Representative shall make the following determinations in writing if in his or her judgment the following conditions are met:

(1) The savings that will be effected (as measured by the difference between the principal and interest cost over the life of the Bonds and the principal and interest cost over the life of the Refunded Bonds, but for such refunding) shall be equal to at least the percentage savings set forth in Section 4(i). In making such determination, the Designated Representative shall give consideration to the fixed maturities of the Bonds and the Refunded Bonds, the costs of issuance of the Bonds and the known earned income from the investment of the proceeds of the Bonds pending redemption of the Refunded Bonds.

(2) The Refunding Plan will provide sufficient funds to discharge and satisfy the obligations of the District under the 2016 Bond Resolution. In making such determination, the Designated Representative may rely upon a verification by a nationally recognized independent certified public accounting firm.

Section 18. Sale and Delivery of Bonds.

(a) *Manner of Sale of Bonds.* The Designated Representative is authorized to sell the Bonds by negotiated sale or private placement based on the Designated Representative's assessment of market conditions, in consultation with appropriate District officials and staff, Bond Counsel, and other advisors. In determining the method of sale and accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the District.

(b) *Procedure for Negotiated Sale or Private Placement.* The Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Agreement for the Bonds shall set forth the Final Terms. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the District, so long as the terms provided therein are consistent with the terms of this resolution.

(c) *Preparation, Execution, and Delivery of the Bonds.* The Bonds will be prepared at District expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 19. Official Statement; Continuing Disclosure.

(a) *Preliminary Official Statement Deemed Final.* The Designated Representative shall review and, if acceptable to him or her, approve the preliminary Official Statement prepared in connection with the sale of the Bonds to the public or through a Purchaser as a placement agent. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The District approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has approved by the Designated Representative and been deemed final, if applicable, in accordance with this subsection.

(b) *Approval of Final Official Statement.* The District approves the preparation of a final Official Statement for the Bonds to be sold to the public in the form of the preliminary Official Statement that has been approved and deemed final in accordance with subsection (a), with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes Designated Representative to execute and deliver such final Official Statement to the Purchaser if required under Rule 15c2-12. The District authorizes and approves the distribution by the Purchaser of the final Official Statement so executed and delivered to purchasers and potential purchasers of the Bonds.

(c) *Undertaking to Provide Continuing Disclosure.* If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser acting as a participating underwriter for the Bonds, the Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of the Bonds.

Section 20. Amendatory and Supplemental Resolutions.

(a) This resolution shall not be modified or amended in any respect subsequent to the initial issuance of the Bonds, except as provided in and in accordance with and subject to the provisions of this section.

(b) The District, from time to time, and at any time, without the consent of or notice to the registered owners of the Parity Bonds, may adopt one or more supplemental or amendatory resolutions as follows:

(i) To cure any formal defect, omission, inconsistency, or ambiguity in this resolution in a manner not adverse to the owner of any Parity Bonds;

(ii) To impose upon the Registrar (with its consent) for the benefit of the Registered Owners of the Bonds any additional rights, remedies, powers, authority, security, liabilities, or duties which may lawfully be granted, conferred, or imposed and which are not contrary to or inconsistent with this resolution as theretofore in effect;

(iii) To add to the covenants and agreements of, and limitations and restrictions upon, the District in this resolution, other covenants, agreements, limitations, and restrictions to be observed by the District which are not contrary or inconsistent with this resolution as theretofore in effect;

(iv) To confirm, as further assurance, any pledge under, and the subjection to any claim, lien, or pledge created or to be created by this resolution of any other money, securities, or funds;

(v) To authorize different denominations of the Bonds and to make correlative amendments and modifications to this resolution regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations, and similar amendments and modifications of a technical nature;

(vi) To modify, alter, amend, or supplement this resolution in any other respect which is not materially adverse to the registered owners of the Parity Bonds and which does not involve a change described in subsection (c) of this section; and

(vii) Because of change in federal law or rulings, to maintain the exclusion from gross income of the interest on the Bonds from federal income taxation.

Before the District shall adopt any such supplemental resolution pursuant to this subsection, there shall have been delivered to the District and the Registrar an opinion of Bond Counsel stating that such supplemental resolution is authorized or permitted by this resolution and, upon the execution and delivery thereof, will be valid and binding upon the District in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(c) (i) Except for any supplemental resolution entered into pursuant to subsection (b) of this section, subject to the terms and provisions contained in this subsection (c) and not otherwise, registered owners of not less than 60% in aggregate principal amount of the Parity Bonds then outstanding shall have the right from time to time to consent to and approve the adoption by the District of any supplemental resolution deemed necessary or desirable by the District for the purpose of modifying, altering, amending, supplementing, or rescinding, in any particular, any of the terms or provisions contained in this resolution; except that, unless approved in writing by the registered owners of all the Parity Bonds then outstanding, nothing contained in this section shall permit, or be construed as permitting:

(A) A change in the times, amounts, or currency of payment of the principal of or interest on any outstanding Bond, or a reduction in the principal amount of redemption price of any outstanding Bond, or a change in the redemption price of any outstanding Bond, or a change in the method of determining the rate of interest thereon, or

(B) A preference of priority of any Parity Bond or Parity Bonds or any other bond or bonds, or

(C) A reduction in the aggregate principal amount of Parity Bonds, the consent of the registered owners of which is required for any such supplemental resolution.

(ii) If at any time the District shall pass any supplemental resolution for any of the purposes of this subsection, the Registrar shall cause notice of the proposed supplemental resolution to be given by first-class United States mail to all registered owners of the then outstanding Parity Bonds and to the Rating Agency. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that a copy thereof is on file at the office of the Registrar for inspection by all registered owners of the outstanding Parity Bonds.

(iii) Within two years after the date of the mailing of such notice, the District may adopt such supplemental resolution in substantially the form described in such notice, but only if there shall have first been delivered to the Registrar (A) the required consents, in writing, of the registered owners of the Parity Bonds, and (B) an opinion of Bond Counsel stating that such supplemental resolution is authorized or permitted by this resolution and, upon the execution and delivery thereof, will be valid and binding upon the District in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(iv) If registered owners of not less than the percentage of Parity Bonds required by this subsection shall have consented to and approved the execution and delivery thereof as herein provided, no owner of the Parity Bonds shall have any right to object to the passage of such supplemental resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the passage thereof, or to enjoin or restrain the District or the Registrar from passing the same or from taking any action pursuant to the provisions thereof.

(d) Upon the execution and delivery of any supplemental resolution pursuant to the provisions of this section, this resolution shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties, and obligations under this resolution of the District, the Registrar, and all Registered Owners of Bonds then outstanding, shall thereafter be determined, exercised, and enforced under this resolution subject in all respects to such modifications and amendments.

Section 21. Repeal of Resolution No. 2026-08. Resolution No. 2026-08, adopted by the Board on July 1, 2026, is repealed.

Section 22. General Authorization and Ratification. The Designated Representative and other appropriate officers of the District are each individually authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this resolution, and to do everything necessary for the prompt delivery of the Bonds to the Purchaser and for the proper application, use, and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this resolution in furtherance of the purposes described in this resolution and not inconsistent with the terms of this resolution are ratified and confirmed in all respects.

Section 23. Severability. The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 24. Effective Date of Resolution. This resolution shall be in full force and effect from and after its adoption.

ADOPTED by the Board of Directors of East Columbia Basin Irrigation District, Adams County, Washington, at a regular open public meeting thereof this eleventh day of August, 2026.



Ken S. Swinger Jr.
Director

Ken Lyle
Director

Don W. Osborne
Director

Ken Baker
Director

Dan Anden
Director

ATTEST:

[Signature]
Secretary-Manager

CERTIFICATION

I, the undersigned, Secretary-Manager of East Columbia Basin Irrigation District, Adams County, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. 2026- 09 (the "Resolution") is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors (the "Board") of the District held at the regular meeting place thereof on August 11, 2026, as that resolution appears on the minute book of the District; and the Resolution is now in full force and effect;

2. The meeting was duly convened and held and included an opportunity for public comment, in all respects in accordance with law; a quorum of the members of the Board was present throughout the meeting; and a sufficient number of members of the Board present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this eleventh day of August, 2026.

EAST COLUMBIA BASIN IRRIGATION DISTRICT
ADAMS COUNTY, WASHINGTON



Secretary-Manager