

PORT OF PASCO  
FRANKLIN COUNTY, WASHINGTON

RESOLUTION NO. 1535

A RESOLUTION of the Port of Pasco, Franklin County, Washington, relating to contracting indebtedness; providing for the issuance of not to exceed \$2,900,000 aggregate principal amount of limited tax general obligation refunding bonds to provide funds to (a) refund and redeem certain outstanding limited tax general obligation bonds of the Port, and (b) pay the costs of issuance and sale of the bonds and the administrative costs of the refunding; fixing or setting parameters with respect to certain terms and covenants of the bonds; delegating authority to the Port's designated representative to set final terms of the sale and issuance of the bonds and to take certain other actions with respect to carrying out the refunding; and providing for other matters properly related thereto.

Adopted July 23, 2020

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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 PORT COMMISSION OF THE PORT OF PASCO, WASHINGTON, AS FOLLOWS:

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

(a) “*2010 Bonds*” means the Port’s Limited Tax General Obligation Bonds, 2010, authorized to be issued by Resolution No. 1287.

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

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

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

(e) “*Bond Counsel*” means the firm of Foster Garvey P.C., its successor, or any other attorney or firm of attorneys selected by the Port with a nationally recognized standing as bond counsel in the field of municipal finance.

(f) “*Bond Fund*” means the Limited Tax General Obligation Refunding Bond Fund, 2020, of the Port created for the payment of the principal of and interest on the Bonds.

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

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

(i) “*Bond Registrar*” means the Fiscal Agent, or any successor bond registrar selected by the Port.

(j) “*Commission*” means the Port Commission of the Port, acting in its legislative capacity.

(k) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(l) “*DTC*” means The Depository Trust Company, New York, New York, or its nominee.

(m) “*Designated Representative*” means the officer of the Port appointed in Section 4 of this resolution to serve as the Port’s designated representative in accordance with RCW 39.46.040(2).

(n) “*Executive Director*” means the Port’s Executive Director or such other officer of the Port who succeeds to substantially all the responsibilities of that office.

(o) “*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 for refunding bonds (if the refunding bonds are issued for savings purposes).

(p) “*Finance Director*” means the Director of Finance and Administration of the Port or such other officer of the Port who succeeds to substantially all of the responsibilities of that office.

(q) “*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

(r) “*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

(s) “*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.

(t) “*Letter of Representations*” means the Blanket Issuer Letter of Representations between the Port and DTC, dated August 30, 2001.

(u) “*MSRB*” means the Municipal Securities Rulemaking Board.

(v) “*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.

(w) “*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner.

(x) “*Port*” means the Port of Pasco, Washington, a municipal corporation duly organized and existing under the laws of the State.

(y) “*Purchaser*” means Piper Sandler & Co., or such other 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 or underwriter in a negotiated sale of the Bonds.

(z) “*Rating Agency*” means any nationally recognized rating agency then maintaining a rating on the Bonds at the request of the Port.

(aa) “*Record Date*” means the Bond 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 shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 9.

(bb) “*Refunded Bonds*” means all or a portion of the Refunding Candidates selected by the Designated Representative to be refunded with proceeds of the Bonds and included in the Refunding Plan.

(cc) “*Refunding Candidates*” means the outstanding 2010 Bonds maturing in the years 2025 and 2030, the refunding of which has been provided for by this resolution.

(dd) “*Refunding Plan*” means:

- (1) the placement of sufficient proceeds of the Bonds, with other money of the Port, if necessary, to be deposited with the Fiscal Agent;
- (2) the payment of the principal of and interest on the Refunded Bonds when due up to and including such date or dates as determined by the Designated Representative, and the call, payment, and redemption on such date or dates, of all of the then-outstanding Refunded Bonds at a price of par; and
- (3) may include the payment of the costs of issuing the Bonds and the costs of carrying out the foregoing elements of the Refunding Plan.

(ee) “*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 Port utilizes the book-entry only system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

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

(gg) “*SEC*” means the United States Securities and Exchange Commission.

(hh) “*Securities Depository*” means DTC, any successor thereto, any substitute securities depository selected by the Port 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.

(ii) “*State*” means the State of Washington.

(jj) “*System of Registration*” means the system of registration for the Port’s bonds and other obligations set forth in Resolution No. 759 of the Port.

(kk) “*Term Bond*” means each Bond designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in the Bond Purchase Agreement.

(ll) “*Undertaking*” means the undertaking to provide continuing disclosure entered into pursuant to Section 15 of this resolution.

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

(a) *Authority and Description of the Refunding Plan.*

- (1) Pursuant to Resolution No. 1287, the Port issued its \$4,415,000 par value Limited Tax General Obligation Bonds, 2010 (the “2010 Bonds”), for the purpose of providing funds with which to pay a portion of the cost of constructing a new office building and related site improvements at Osprey Pointe, and by that resolution reserved the right to redeem the 2010 Bonds maturing on and after August 1, 2025, prior to their maturity on or after August 1, 2020, at price of par plus accrued interest to the date fixed for redemption (the “2010 Refunding Candidates”).
- (2) There are presently \$2,660,000 par value of 2010 Refunding Candidates outstanding.
- (3) After due consideration, it appears to the Commission that all or a portion of the Refunding Candidates may be refunded by a portion of the issuance and sale of the limited tax general obligation and refunding bonds authorized herein so that a savings will be effected by the difference between the principal and interest cost over the life of the portion of the Bonds used for the Refunding Plan and the principal and interest cost over the life of the Refunded Bonds but for such refunding, which refunding will be effected by carrying out the Refunding Plan.

(b) *Debt Capacity.* The maximum amount of indebtedness authorized by this resolution is \$2,900,000. Based on the following facts, this amount is to be issued within the amount permitted to be issued by the Port for general municipal purposes without a vote:

- (1) The assessed valuation of the taxable property within the Port as ascertained by the last preceding assessment for Port purposes for collection in the calendar year 2020 is \$9,181,427,537.
- (2) As of the date hereof, the Port has limited tax general obligation indebtedness, consisting of bonds and other obligations outstanding in the principal amount of \$9,032,910, which is incurred within the limit of up to 1/4% of the value of the taxable property within the Port permitted for port district purposes without a vote.
- (3) As of the date hereof, the Port does not have unlimited tax general obligation indebtedness.

(c) *The Bonds.* For the purpose of providing the funds necessary to carry out the Refunding Plan and to pay the costs of issuance and sale of the Bonds, the Port finds that it is in the best interests of the Port and its taxpayers to issue and sell the Bonds to the Purchaser, pursuant to the terms set forth in the Bond Purchase Agreement as approved by the Port's Designated Representative consistent with this resolution.

Section 3. Authorization of Bonds. The Port is authorized to borrow money on the credit of the Port and issue negotiable limited tax general obligation bonds evidencing indebtedness in aggregate principal amount not to exceed \$2,900,000 to provide funds necessary to carry out the Refunding Plan and to pay the costs of issuance and sale of the Bonds. The proceeds of the Bonds allocated to paying the cost of the Refunding Plan shall be deposited as set forth in Section 14 of this resolution and shall be used to carry out the Refunding Plan.

Section 4. Description of the Bonds; Appointment of Designated Representative. The Executive Director and the Finance Director are each appointed as the Designated Representative of the Port and each of them acting alone is authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the Port, and to approve the Final Terms of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this resolution and incorporated by this reference.

Section 5. Bond 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) *Bond Registrar; Duties.* The Fiscal Agent is appointed as initial Bond Registrar. The Bond 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 Port at all times. The Bond Registrar is authorized, on behalf of the Port, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the Port's paying agent

for the Bonds and to carry out all of the Bond Registrar's powers and duties under this resolution and the System of Registration. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond 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 Bond 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 Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

(d) *Securities Depository; Book-Entry Only Form.* If a Bond is to be issued in book-entry 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 Port; 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 Port, the Port may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the Port does not appoint a substitute Securities Depository, or (ii) the Port 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 Port nor the Bond 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 Port nor the Bond 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 Bond Registrar to the Securities Depository.

Section 6. 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 and Secretary of the Commission, either or both of whose signatures may be manual or in facsimile. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the Port authorized to sign bonds before the Bond bearing his or her manual or facsimile



signature is authenticated by the Bond Registrar, or issued or delivered by the Port, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the Port as though that person had continued to be an officer of the Port authorized to sign bonds. Any Bond also may be signed on behalf of the Port by any person who, on the actual date of signing of the Bond, is an officer of the Port authorized to sign bonds, although he or she 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 Bond 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 Port of Pasco, Franklin County, Washington, Limited Tax General Obligation Refunding Bonds, 2020, 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 7. 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 is 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 Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the Port 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 Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 8. Bond Fund. The Bond Fund is created as a special Fund of the Port for the sole purpose of paying principal of and interest and any redemption premium on the Bonds. Bond proceeds in excess of the amounts needed to pay the costs of the Refunding Plan and the costs of issuance, if any, shall be deposited into the Bond Fund. All amounts allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bonds. The principal of and interest on the Bonds shall be paid out of the Bond Fund. Until needed for that purpose, the Port may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that Fund.

Section 9. Redemption Provisions and Purchase of Bonds.

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

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in in the Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A 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 Port 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 Port shall determine the manner in which the credit is to be allocated and shall notify the Bond 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 Port, the Port 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 Bond Registrar shall select all other Bonds to be redeemed randomly in such manner as the Bond 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 Bond 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 Bond 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 Finance Officer 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 Port 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 prior to the scheduled optional redemption date. 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 Bond Fund or in a trust account established to refund or defease the Bond.

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

Section 10. 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 Port 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 Bond 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 11. Pledge of Taxes. For as long as any of the Bonds are outstanding, the Port irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the Port are pledged irrevocably for the prompt payment of the principal of and interest on the Bonds and such pledge shall be enforceable in mandamus against the Port.

Section 12. Tax Covenants.

(a) *Preservation of Tax Exemption for Interest on the Bonds.* The Port 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 Port treated as proceeds of the Bonds that will cause interest the Bonds to be included in gross income for federal income tax purposes. The Port 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 Finance Officer is authorized and directed to review and update the Port's written procedures to facilitate compliance by the Port 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.

(c) *Designation of the Bonds as "Qualified Tax-Exempt Obligations."* The Designated Representative may designate the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

- (1) the Bonds do not constitute "private activity bonds" within the meaning of Section 141 of the Code;
- (2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the Port and any entity subordinate to the Port (including any entity that the Port controls, that derives its authority to issue

tax-exempt obligations from the Port, or that issues tax-exempt obligations on behalf of the Port) will issue during the calendar year in which the Bonds are issued will not exceed the maximum amount then permitted by Section 265(b)(3) of the Code, currently \$10,000,000; and

- (3) the amount of tax-exempt obligations, including the Bonds, designated by the Port as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bonds are issued does not exceed the maximum amount then permitted under Section 265(b)(3) of the Code, currently \$10,000,000.

Section 13. Refunding or Defeasance of the Bonds. The Port 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 Port 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 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 Port 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.

Unless otherwise specified by the Port 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 14. Refunding of the Refunded Bonds.

(a) *Use of Bond Proceeds.* The proceeds of the sale of the Bonds to be used to carry out the Refunding Plan shall be deposited immediately upon the receipt thereof with the Fiscal Agent and used to discharge the obligations of the Port relating to the Refunded Bonds under Resolution No. 1287 by providing for the payment of the amounts required to be paid by the Refunding Plan. Such obligations shall be discharged fully by the Fiscal Agent’s simultaneous deposit in the bond fund for the Refunded Bonds cash in the amount required to be paid by the Refunding Plan. Any proceeds of the Bonds or other money deposited with the Fiscal Agent not needed to carry out the Refunding Plan and pay the costs of issuance of such Bonds shall be returned to the Port at the time of delivery of such Bonds to the initial purchaser thereof and deposited in the Bond Fund to pay interest on such Bonds on the first interest payment date.

(b) *Administration of Refunding Plan.* The Fiscal Agent is authorized and directed to make the payments required to be made by the Refunding Plan from the proceeds of the Bonds

and other money, if any, deposited with the Fiscal Agent pursuant to this resolution. All money deposited with the Fiscal Agent and any income therefrom shall be held irrevocably and applied in accordance with the provisions of Resolution No. 1287 and this resolution, chapter 39.53 RCW and other applicable statutes of the State. All necessary and proper fees, compensation, and expenses of the Fiscal Agent for the Bonds allocated to paying the cost of the Refunding Plan and all other costs incidental to accomplishing the refunding of the Refunded Bonds and costs related to the issuance and delivery of such Bonds, including verification fees, Bond Counsel's fees, and other related expenses, shall be paid out of the proceeds of such Bonds.

Section 15. Call for Redemption of the Refunded Bonds. The Port calls for redemption on such date or dates as determined by the Designated Representative, all of the Refunded Bonds at par plus accrued interest. Such call for redemption shall be irrevocable after the delivery of the Bonds allocated to paying the cost of the Refunding Plan to the initial purchaser thereof.

The proper Port officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to Resolution No. 1287 in order to effect the redemption prior to their maturity of the Refunded Bonds.

Section 16. Findings with Respect to Refunding. The Commission of the Port authorizes the Designated Representative to issue the Bonds allocated to paying the cost of the Refunding Plan if it will achieve debt service savings to the Port and is in the best interest of the Port and its taxpayers and in the public interest. In making such finding and determination, the Designated Representative will give consideration to the fixed maturities of such Bonds and the Refunded Bonds, the costs of issuance of such Bonds and the known earned income from the investment of the proceeds of the issuance and sale of such Bonds and other money of the Port used in the Refunding Plan, if any, pending payment and redemption of the Refunded Bonds.

The Designated Representative may also purchase Acquired Obligations to be deposited with the Fiscal Agent, together with the income therefrom, and with any necessary beginning cash balance, which will be sufficient to redeem the Refunded Bonds and will discharge and satisfy the obligations of the Port under Resolution No. 1287 with respect to the Refunded Bonds, and the pledges, charges, trusts, covenants, and agreements of the Port therein made or provided for as to the Refunded Bonds, and that the Refunded Bonds shall no longer be deemed to be outstanding under such resolution immediately upon the deposit of such money with the Fiscal Agent.

Section 17. Sale and Delivery of the Bonds.

(a) *Manner of Sale of Bonds; Delivery of Bonds.* The Designated Representative is authorized to sell the Bonds by negotiated sale or private placement based on the assessment of the Designated Representative of market conditions, in consultation with appropriate Port officials and staff, Bond Counsel and other advisors. In determining the method of sale of the Bonds 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 Port.

(b) *Procedure for Negotiated Sale or Private Placement.* If the Designated Representative determines that the Bonds are to be sold by 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 Port, 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 Port 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 18. 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 each sale of the Bonds to the public. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, 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 Port 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 Port 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 Port 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 in substantially the form attached as Exhibit B.

Section 19. Supplemental and Amendatory Resolutions. The Port may supplement or amend this resolution for any one or more of the following purposes without the consent of any Owners of the Bonds:

(a) To add covenants and agreements that do not materially adversely affect the interests of Owners, or to surrender any right or power reserved to or conferred upon the Port.

(b) To cure any ambiguities, or to cure, correct or supplement any defective provision contained in this resolution in a manner that does not materially adversely affect the interest of the Beneficial Owners of the Bonds.

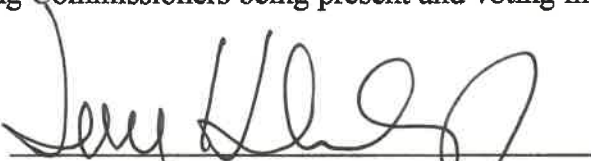
Section 20. General Authorization and Ratification. The Designated Representative and other appropriate officers of the Port are severally authorized to take such actions and to execute

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 thereof 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 21. 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.

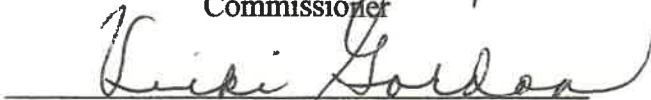
Section 22. Effective Date of Resolution. This resolution shall take effect and be in force from and after its passage and immediately following its publication as required by law.

ADOPTED by the Commission of the Port of Pasco, Washington, at a regular open public meeting thereof held on July 23, 2020, the following Commissioners being present and voting in favor of the resolution.



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James T. Klindworth, President and  
Commissioner



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Vicki Gordon, Vice President and  
Commissioner



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Jean Ryckman, Secretary and Commissioner



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**EXHIBIT A**  
**DESCRIPTION OF THE BONDS**

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- (a) Principal Amount. The Bonds shall not exceed the aggregate principal amount of \$2,900,000.
- (b) Date or Dates. Each Bond shall be dated its Issue Date, which date may not be later than one year after the effective date of this resolution.
- (c) Denominations, Name, etc. 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 5.00%, and the true interest cost to the Port for the Bonds may not exceed 4.00%.
- (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 on dates acceptable to the Designated Representative.
- (f) Final Maturity. The Bonds shall mature no later than December 1, 2030.
- (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:
- (1) Optional Redemption. Any Bond may be designated as being (A) subject to redemption at the option of the Port 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.

(2) 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 96% or more than 130% of the stated principal amount of the Bonds.
- (i) Selection of Refunded Bonds. Under the terms and conditions of this resolution, the Designated Representative is authorized to select the Refunded Bonds to be refunded by the Bonds allocated to paying the cost of the Refunding Plan. Refunded Bonds, as selected by the Designated Representative, shall be identified in the Bond Purchase Agreement.
- (j) Minimum Savings. The Bonds allocated to paying the cost of the Refunding Plan shall produce a minimum net present value savings to the Port and its taxpayers of 3.00% (as a percentage of the Refunded Bonds). Net present value savings means the aggregate of (i) annual debt service on the Refunded Bonds, less (ii) annual debt service on the Bonds (including expenses related to costs of issuance of the Bonds) discounted to the Issue Date using the yield on the Bonds as the discount rate, plus (iii) excess cash, if any distributed to the Port on the Issue Date, and less (iv) the amount of any contribution by the Port, if any, made on such Issue Date.
- (k) Tax Status. The Designated Representative is authorized to confirm the tax-exempt status of the Bonds in the Bond Purchase Agreement for the Bonds.
- (l) Other Terms and Conditions. (1) The Bonds may not be issued if it would cause the indebtedness of the Port to exceed the Port's legal debt capacity on the Issue Date.
- (2) The Designated Representative may determine whether it is in the Port's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and

covenants as he or she may determine are in the best interests of the Port, consistent with this resolution.

[Form of]  
**UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

**Port of Pasco, Washington  
Limited Tax General Obligation Refunding Bonds, 2020**

The Port of Pasco, Washington (the "Port"), makes the following written Undertaking for the benefit of holders of the above-referenced bonds (the "Bonds"), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Resolution No. 1535 of the Port (the "Bond Resolution").

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The Port undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

- (i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b)(i) ("annual financial information");
- (ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Port, as such "Bankruptcy Events" are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the Port or the sale of all or substantially all of the assets of the Port other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the Port or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Port or obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under

the terms of the financial obligation of the Port or obligated person, any of which reflect financial difficulties. The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

- (iii) Timely notice of a failure by the Port to provide the required annual financial information described in paragraph (b)(i) on or before the date specified in paragraph (b)(ii).

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the Port undertakes to provide in paragraph (a):

- (i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State such as the Port, as such principles may be changed from time to time; (2) principal amount of general obligation bonds outstanding at the end of the applicable fiscal year; (3) assessed valuation for that fiscal year; and (4) property tax levy amounts and rates for that fiscal year;
- (ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the Port (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the Port’s fiscal year ending December 31, 20\_\_; and
- (iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

If not submitted as part of the annual financial information described in paragraph (b)(i) above, the Port will provide or cause to be provided to the MSRB audited financial statements, when and if available.

(c) Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The Port will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. This Undertaking shall inure to the benefit of the Port and the holder of each Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The Port's obligations under this Undertaking shall terminate upon the redemption or legal defeasance of all of the Bonds. In addition, the Port's obligations under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the Port to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel delivered to the Port, and the Port provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the Port learns of any failure to comply with this Undertaking, the Port will proceed with due diligence to cause such noncompliance to be corrected. No failure by the Port or other obligated person to comply with this Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any holder of a Bond shall be to take action to compel the Port or other obligated person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

(g) Designation of Official Responsible to Administer Undertaking. The Finance Officer or his or her designee is the person designated, in accordance with the Bond Resolution, to carry out the Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

- (i) Preparing and filing the annual financial information undertaken to be provided in paragraph (a)(i);
- (ii) Determining whether any failure to provide the annual financial information undertaken to be provided in paragraph (a)(i) has occurred and providing any notice undertaken to be provided in paragraph (a)(iii);
- (iii) Determining whether any event specified in items (1)-(16) of paragraph (a)(ii) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any notice undertaken to be provided in paragraph (a)(ii) of its occurrence;
- (iv) Determining whether any person other than the Port is an "obligated person" within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;
- (v) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the Port in carrying out this Undertaking; and
- (vi) Effecting any necessary amendment of this Undertaking.

## CERTIFICATION

I, the undersigned, Secretary of the Port Commission (the "Commission") of the Port of Pasco, Washington (the "Port"), hereby certify as follows:

1. The attached copy of Resolution No. 1535 (the "Resolution") is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Commission held on July 23, 2020 (the "Meeting"), as that resolution appears on the minute book of the Port.

2. The Resolution is in full force and effect.

3. Pursuant to various proclamations and orders issued by the Governor of the State of Washington, (a) the Meeting was not conducted in person and (b) options were provided for the public to attend the Meeting remotely, including by telephonic access and, as available, internet access, which options provided the ability for all persons attending the Meeting remotely to hear each other at the same time.

4. The Meeting was duly convened and held in all respects in accordance with law, the public was notified of the access options for remote attendance via the Port's website, a quorum of the members of the Commission was present throughout the meeting and a sufficient number of members of the Commission present voted in the proper manner for the adoption of the Resolution.

Dated: July 23, 2020.

PORT OF PASCO, WASHINGTON

  
Jean Ryckman, Secretary of the Commission