

Please return to:

*Executive Assistant
Kennewick Irrigation District
12 West Kennewick Avenue
Kennewick, WA 99336*

**KENNEWICK IRRIGATION DISTRICT
RESOLUTION 2012-09**

A RESOLUTION of the Board of Directors of Kennewick Irrigation District, Benton County, Washington, declaring its official intent to reimburse capital expenditures in connection with the construction of the Red Mountain South LID from proceeds of a future borrowing.

WHEREAS, Kennewick Irrigation District, Benton County, Washington (the “District”), intends to make expenditures in connection with the construction of Red Mountain South LID (the “Project”) from funds that are available but that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis, or otherwise set aside for those expenditures, and reasonably expects to be reimbursed for those expenditures from proceeds of bonds or other obligations (“bonds”) issued to finance those expenditures; and

WHEREAS, certain federal regulations relating to the use of proceeds of tax-exempt bonds to reimburse the issuer of the bonds for certain expenditures made before the issue date of the bonds require, among other things, that not later than 60 days after payment of the original expenditure the District (or any person designated by the District to do so on its behalf) declare a reasonable official intent to reimburse those expenditures from proceeds of bonds;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Kennewick Irrigation District, Benton County, Washington, as follows:

Section 1. **Description of Expenditures to be Made.** The District intends to make (and/or, not more than 60 days before the date of this declaration, has made) expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of bonds, for the Project.

Section 2. **Maximum Principal Amount of Obligations Expected to be Issued for the Project.** The District expects that the maximum principal amount of bonds that will be issued to finance the Project will be \$10,000,000.

Section 3. Declaration Reasonable. The Board of Directors of the District has reviewed its existing and reasonably foreseeable budgetary and financial circumstances and has determined that the District reasonably expects to reimburse itself for expenditures for the Project from proceeds of bonds because the District has no funds available that already are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the District for those expenditures on the Project.

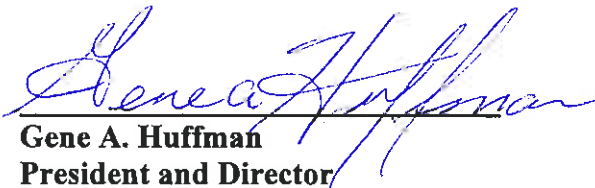
Section 4. Limitations on Uses of Reimbursement Amounts. The District will not, within one year after the expected reimbursement, use amounts corresponding to proceeds received from bonds issued in the future to reimburse the District for previously paid expenditures for the Project in any manner that results in those amounts being treated as replacement proceeds of any tax-exempt bonds, i.e., as a result of being deposited in a reserve fund, pledged fund, sinking fund or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on tax-exempt bonds, nor will the District use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

Section 5. Date of Declaration. This declaration of official intent shall be dated as of the date of adoption of this resolution.

Section 6. Ratification and Confirmation. Any actions of the District or its officers prior to the date thereof and consistent with the terms of this resolution are hereby ratified and confirmed.

Section 7. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.


Resolution 2012-09 is hereby adopted by the Board of Directors of the Kennewick Irrigation District, Benton County, Washington, at a meeting with a quorum present in open public session thereof, this 1st day of May, 2012.


Gene A. Huffman
President and Director


Patrick McGuire
Vice President and Director

ABSENT

John A. Jaksch
Director


David McKenzie
Director


Kirk Rathbun
Director

CERTIFICATION

I, Charles Freeman, Secretary-Manager of Kennewick Irrigation District, Benton County, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. 2012-09 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a continued regular meeting of the Board of Directors of the District held at the regular meeting place thereof on May 1, 2012, as the Resolution appears on the minute book of the District; and the Resolution is now in full force and effect; and

2. A quorum of the members of the Board of Directors of the District was present throughout the meeting and a majority of those members present voted in the proper manner for the adoption of the Resolution.

Dated: May 1, 2012

KENNEWICK IRRIGATION DISTRICT,
BENTON COUNTY, WASHINGTON



Charles Freeman
Secretary-Manager