

RESOLUTION NO. 2
OF THE BOARD OF THE WATER UTILITY ENTERPRISE
DECLARING THE OFFICIAL INTENT OF THE WATER UTILITY ENTERPRISE
TO USE PROCEEDS OF TAX-EXEMPT REVENUE BONDS
TO REIMBURSE ITSELF FOR CERTAIN CAPITAL EXPENDITURES
MADE FROM OTHER REVENUES

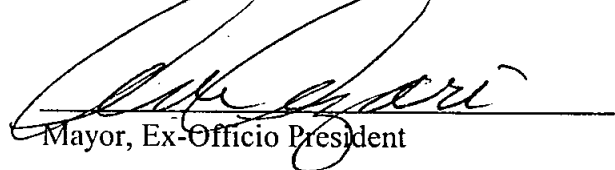
WHEREAS, The City of Fort Collins, Colorado, Water Utility Enterprise (the "Enterprise"), reasonably expects that within the ensuing year the Enterprise will issue certain tax-exempt revenue bonds (the "Bonds") in order to finance the acquisition, construction and installation of water facilities (the "Project"); and

WHEREAS, the Enterprise reasonably expects that prior to the issuance of the Bonds the Enterprise will make certain capital expenditures for or in connection with the Project with the expectation of reimbursing itself from proceeds of the Bonds.


NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE WATER UTILITY ENTERPRISE that the Board hereby declares the official intent of the Enterprise to use proceeds of the Bonds to reimburse itself for certain capital expenditures made for or in connection with the Project, provided that (a) the Bonds will not be used to reimburse any expenditure paid more than 60 days prior to the present date; (b) the Bonds will not be issued more than 18 months after the later of (i) the date of the first expenditure to be reimbursed with the proceeds of the Bonds, or (ii) the date the Project is placed in service; and (c) in no event may the Bonds be issued more than three years after the date of the first expenditure to be reimbursed with the proceeds of the Bonds; and provided further that the limitations hereof will not apply to qualified "preliminary expenditures" as permitted by Treasury Regulation Section 1.150-2(f).

Passed and adopted at a regular meeting of the Board of the Water Utility Enterprise held this 4th day of February, A.D. 1997.

CITY OF FORT COLLINS, COLORADO,
WATER UTILITY ENTERPRISE


Mayor, Ex-Officio President

ATTEST:


City Clerk, Ex-Officio Secretary

