

RESOLUTION 87-168
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE SUBSTITUTION OF CERTAIN
FEDERAL SECURITIES FOR CERTAIN OTHER
FEDERAL SECURITIES PURCHASED IN ACCORDANCE WITH
THE ESCROW AGREEMENT EXECUTED IN CONNECTION WITH
THE ISSUANCE OF CITY OF FORT COLLINS, COLORADO,
SALES AND USE TAX REVENUE REFUNDING AND
IMPROVEMENT BONDS, SERIES 1986, DATED AUGUST 1,
1986, IN THE AGGREGATE PRINCIPAL AMOUNT OF
\$30,060,000.

WHEREAS, the City of Fort Collins, Colorado (the City), has heretofore issued and sold its Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 1986, dated August 1, 1986, in the aggregate principal amount of \$30,060,000 (the Bonds), and in connection therewith has executed an Escrow Agreement, dated as of August 1, 1986 (the Escrow Agreement), between the City and First Interstate Bank of Fort Collins, N.A. (the Escrow Bank), creating an escrow to provide for the payment of its Sales and Use Tax Revenue Bonds, dated August 1, 1981, in the aggregate principal amount of \$5,700,000, its Bond Anticipation Notes, Series October 1, 1982, dated October 1, 1982, in the aggregate principal amount of \$3,300,000, its Sales and Use Tax Revenue Bonds, dated October 1, 1982, in the aggregate principal amount of \$3,360,000, its Sales and Use Tax Revenue Bonds, dated December 1, 1982, in the aggregate principal amount of \$1,215,000, and its Sales and Use Tax Revenue Bonds, dated November 1, 1984, in the aggregate principal amount of \$11,750,000 (the Prior Bonds); and

WHEREAS, the Escrow Agreement permits the City and the City and the Escrow Bank to substitute Federal Securities (as defined in the Escrow Agreement) for Federal Securities purchased in accordance with the Escrow Agreement and described in Exhibit A thereto provided that prior to such substitution the Escrow Bank shall have received a report prepared by a certified public accountant or a firm of certified public accountants licensed to practice in the State of Colorado verifying the sufficiency of the escrow deposit (including such substituted Federal Securities) to pay the Debt Service Requirements (as defined in the Escrow Agreement) and an opinion of nationally recognized bond counsel that such substitution will not cause the Bonds to become "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended; and

WHEREAS, the City has identified certain of the original Federal Securities held in the escrow for the payment of the Prior Bonds which maybe sold for the advantage of the City and certain other Federal Securities which may be substituted therefor for the further advantage of the City; and

WHEREAS, the City has contracted for the sale of the original Federal Securities with Dillon, Read & Co., Inc. and subscribed for the purchase of the substitute Federal Securities with the Federal Reserve Bank, Denver Branch; and WHEREAS, The City has retained the accounting firm of Peat

Marwick Main & Co. to verify the sufficiency of the escrow containing the substituted Federal Securities and the law firm of Ballard, Spahr, Andrews and Ingersoll to render the required tax opinion.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

1. Authorization of Substitution. The Finance Director is hereby authorized to complete the sale and purchase of the Federal Securities as described above subject to compliance with all the conditions to substitution imposed by the Escrow Agreement.

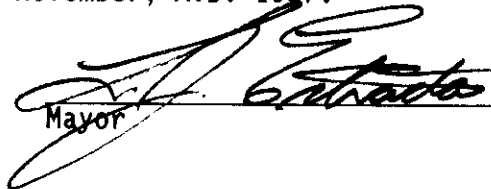
2. Authorization of Documents. The appropriate City officials are hereby authorized to prepare and execute all such agreements, exhibits and certificates as may be necessary to effect the substitution of the Federal Securities as described above and in accordance with the Escrow Agreement.

3. Ratification of Actions. All actions heretofore taken by the City and by the officers thereof not inconsistent herewith directed toward the substitution of the Federal Securities are hereby ratified, approved, and confirmed.

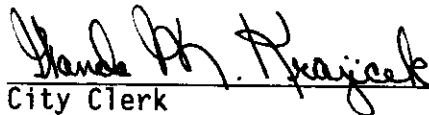
4. Repealer of Measures. All resolutions, acts, orders, or parts thereof of the City in conflict with this Resolution are hereby repealed, except that this repealer shall not be construed so as to revive any resolution, act, order, or part thereof heretofore repealed.

5. Severability. If any paragraph, clause, or provision of this Resolution is judicially adjudged invalid or unenforceable, such judgment shall not affect, impair, or invalidate the remaining paragraphs, clauses, or provisions hereof, the intention being that the various paragraphs, clauses, or provisions hereof are severable.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins held this 3rd day of November, A.D. 1987.


Mayor

ATTEST:


City Clerk