RESOLUTION NO. 1-2001

RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE COSTS OF CERTIFICATES OF OBLIGATION IMPROVEMENTS

THE STATE OF TEXAS §
COUNTIES OF JONES AND TAYLOR §
CITY OF ABILENE §

WHEREAS, the City of Abilene, Texas (the "Issuer") is a municipality of the State of Texas; and

WHEREAS, the Issuer expects to pay expenditures in connection with the purpose of paying costs of acquisition and construction of a water transmission line from O. H. Ivie Reservoir to the south side of the City of Abilene and a treatment plant which will preliminarily include the cost of transformers; electric lines; pumps, motors, and variable flow devices; power control valves; filters; and other related equipment for the acquisition and construction of this transmission line and treatment plant (the "Project") prior to the issuance of obligations to finance the Project; and

WHEREAS, the Issuer finds, considers, and declares that the reimbursement of the Issuer for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the Issuer and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, THAT:

Section 1. The Issuer reasonably expects to incur debt, as one or more series of obligations, with an aggregate maximum principal amount not to exceed $61,000,000 for the purpose of paying the costs of the Project.

Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the Issuer in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

Section 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Resolution more than three years after the date any expenditure, which is to be reimbursed, is paid.

SIGNED AND SEALED this the 11th day of January 2001.

ATTEST:

City Secretary

SEAL

CITY OF ABILENE

Mayor

APPROVED:

City Attorney