

BY AUTHORITY

ORDINANCE NO. _____
SERIES OF 2011

COUNCIL BILL NO. CB11-0848
COMMITTEE OF REFERENCE:
Government & Finance

A B I L L

for an ordinance authorizing the issuance of City and County of Denver, Colorado, for and on behalf of the Wastewater Management Division of its Department of Public Works, Wastewater Enterprise Revenue Bonds, Series 2012, for the purpose of financing the cost of acquiring, improving and equipping the storm drainage and sanitary sewerage facilities of the City and defraying the cost of refunding, paying and discharging all or a portion of the Wastewater Revenue Bonds, Series 2002, now outstanding; providing for the pledge of certain wastewater revenues for the payment thereof; and making other provisions relating thereto.

(1) WHEREAS, the City and County of Denver (the "City"), Colorado (the "State"), is a municipal corporation duly organized and existing as a home rule city under article XX of the State Constitution and the Charter of the City (the "Charter") and is a political subdivision of the State; and

(2) WHEREAS, all legislative powers possessed by the City, conferred by article XX of the State Constitution, except as limited by the Charter, or otherwise existing by operation of law are vested in a board of councilmen, also known as the city council (the "Council"); and

(3) WHEREAS, pursuant to Ordinance No. 755, Series of 1993 (the "Enterprise Ordinance"), the Council established the Wastewater Management Division of its Department of Public Works (the "Enterprise") as an "enterprise" within the meaning of Article X, Section 20 of the Colorado Constitution ("TABOR") and authorized the Enterprise to issue its own revenue bonds in the name of the City, after approval and authorization by the Enterprise, and established the Manager of the Department of Public Works (the "Manager") as the governing body of the Enterprise with the power to approve and authorize such revenue bonds; and

(4) WHEREAS, the Council previously determined in 2002 that it was in the best interests of the City and the customers of the Enterprise to acquire, improve and equip the storm drainage facilities of the City (the "2002 Project"); and

(5) WHEREAS, in order to finance the costs of the 2002 Project, the City, for and on behalf of the Enterprise, and at the request of the Manager, issued its City and County of Denver, Colorado, for and on behalf of the Wastewater Management Division of its Department of Public Works, Wastewater Revenue Bonds, Series 2002 (the "2002 Bonds"); and

1 (6) WHEREAS, the 2002 Bonds are currently outstanding in the aggregate principal
2 amount of \$20,350,000, maturing on November 1, in the following years and bearing interest at
3 the following interest rates per annum:

<u>Years</u>	<u>Principal</u>	<u>Interest Rates</u>
2012	\$1,430,000	4.750%
2013	1,505,000	5.000
2014	1,580,000	5.250
2015	1,660,000	5.000
2016	1,740,000	5.250
2017	1,830,000	5.250
2018	1,920,000	5.250
2019	2,015,000	5.500
2020	2,115,000	5.000
2021	2,220,000	5.125
2022	2,335,000	5.125

4

5 (7) WHEREAS, 2002 Bonds maturing in the years 2003 through 2012 are not subject to
6 optional redemption prior to their respective maturity dates, and 2002 Bonds maturing in the year
7 2013 and thereafter are subject to optional redemption prior to their respective maturity dates, in
8 whole or in part in such order of maturity as may be determined by the City and by lot within a
9 maturity, on November 1, 2012, and on any date thereafter, at a price equal to the principal
10 amount of each 2002 Bond so redeemed plus accrued interest thereon to the redemption date;
11 and

12 (8) WHEREAS, the Council, in the name and on behalf of the City, and at the request of
13 the Manager, has determined and hereby declares that it is advantageous and in the best interest
14 of the City and the customers of the Enterprise to issue for and on behalf of the Enterprise its
15 wastewater revenue refunding bonds to refund, pay and discharge all or a portion of the
16 outstanding 2002 Bonds (the "Refunded Bonds"), as set forth in a Sale Certificate (hereinafter
17 defined) in order to, among other things, reduce the net effective interest rate of the Refunded
18 Bonds, reduce the total interest payable over the life of the Refunded Bonds by issuing the Series
19 2012 Bonds (hereinafter defined) at a lower net interest cost and a lower net effective interest
20 rate; reduce the total principal and interest payable on the Refunded Bonds, or effect other
21 economies, and to modify or eliminate restrictive contractual limitations appertaining to the
22 Refunded Bonds (such refunding of the Refunded Bonds to hereinafter be referred to as the
23 "Refunding Project"); and

1 (9) WHEREAS, the Council has determined and hereby determines that it is in the best
2 interest of the City and the customers of the Enterprise to further acquire, improve and equip the
3 storm drainage and sanitary sewerage facilities of the City (the “2012 Project” and together with
4 the “Refunding Project,” the “Project”) and to issue for and on behalf of the Enterprise, and at the
5 request of the Manager, its Wastewater Enterprise Revenue Bonds to finance the cost thereof;
6 and

7 (10) WHEREAS, the construction of the 2012 Project is consistent with and in
8 furtherance of the Comprehensive Plan of the City; and

9 (11) WHEREAS, in order to finance the acquisition, improvement and equipping of the
10 2012 Project and to effectuate the Refunding Project, the City, for and on behalf of the Enterprise,
11 desires to issue one or more series of its City and County of Denver, Colorado, for and on behalf
12 of its Wastewater Division of its Department of Public Works, Wastewater Enterprise Revenue
13 Bonds, Series 2012 (collectively, the “Series 2012 Bonds”); and

14 (12) WHEREAS, the Manager of the Enterprise has adopted a resolution (the “Manager’s
15 Resolution”) requesting that the Council adopt an ordinance authorizing the issuance of the Series
16 2012 Bonds to finance the costs of the Project; and

17 (13) WHEREAS, the City, acting by and through the Enterprise, is authorized pursuant to
18 TABOR to issue the Series 2012 Bonds without an election to finance the costs of the Project; and

19 (14) WHEREAS, pursuant to Section 20-92 of the Revised Municipal Code of the City
20 (the “City Code”), the Manager of Finance, ex-officio Treasurer of the City (the “Treasurer”) has
21 retained Piper Jaffray & Co. as financial advisor to assist the City and communicated such
22 retention in writing to the President of the Council, and the Clerk and Recorder, ex officio Clerk of
23 the City (the “Clerk”), has read such communication to the Council; and

24 (15) WHEREAS, before undertaking any action that obligates or could obligate the City
25 financially with regard to the issuance of any of the Series 2012 Bonds, the Treasurer has or will
26 provide the written notification to the Council required pursuant to Section 20-93 of the City Code,
27 the Clerk has or will read such notification to the Council at its next regularly scheduled meeting,
28 and the Treasurer will not take any action obligating the City to issue any of the Series 2012
29 Bonds until at least fifteen (15) days after such reading relating to such Series 2012 Bonds; and

30 (16) WHEREAS, if the Mayor or the Treasurer determine that all or a portion of the Series
31 2012 Bonds are to be sold by competitive sale, the Treasurer is to provide a notice of the sale of

1 such Series 2012 Bonds by such means as the Treasurer deems appropriate, and the Treasurer
2 shall determine the date and time that competitive bids for such Series 2012 Bonds are to be
3 received and recorded by the Treasurer; and

4 (17) WHEREAS, if all or a portion of the Series 2012 Bonds are to be sold by competitive
5 sale, the Mayor or the Treasurer, following generally accepted procedures, is to determine and
6 accept or modify by negotiation the best binding bid received for such Series 2012 Bonds and
7 award such Series 2012 Bonds to the underwriter or underwriters submitting such bid at the
8 purchase price specified in such bid; and

9 (18) WHEREAS, if the Mayor or the Treasurer determine that all or a portion of the Series
10 2012 Bonds are to be sold by negotiated sale, the City shall enter into a bond purchase
11 agreement with the underwriter or underwriters of such Series 2012 Bonds; and

12 (19) WHEREAS, the Council has determined it is necessary and in the best interests of
13 the City that the City undertake the financing of the Project herein authorized and defray the costs
14 thereof by issuing the Series 2012 Bonds in one or more series and does hereby declare:

15 A. The public interest, safety and welfare require the issuance of the Series
16 2012 Bonds in one or more series; and

17 B. The Series 2012 Bonds shall be issued pursuant to the provisions of this
18 Ordinance, the Sale Certificates authorized hereby and, to the extent that any Series 2012 Bonds
19 are sold by competitive sale, by the provisions of the Notice of Sale related thereto, and to the
20 extent that any Series 2012 Bonds are sold by negotiated sale, by the provisions of the Bond
21 Purchase Agreement related thereto; and

22 C. All acts, conditions and things required by law to exist, to have happened and
23 to have been performed as a condition to the issuance of the Series 2012 Bonds do or will exist,
24 have happened or will happen and have been or will be performed in regular and due time, form
25 and manner as required by law; and

26 (20) WHEREAS, prior to the enactment hereof, there will have been filed with the Clerk
27 the proposed forms of the following documents with respect to the Series 2012 Bonds:

28 A. Preliminary Official Statement relating to the Series 2012 Bonds (the
29 "Preliminary Official Statement") (Clerk File No. 11-982);

30 B. Notice of Public Sale with respect to the Series 2012 Bonds (the "Notice of
31 Sale"), (Clerk File No. 11-982-A);

1 C. Bond Purchase Agreement with respect to the Series 2012 Bonds (the “Bond
2 Purchase Agreement”), (Clerk File No. 11-982-B);

3 D. The Continuing Disclosure Undertaking executed by the City relating to the
4 Series 2012 Bonds (the “Continuing Disclosure Undertaking”), (Clerk File No. 11-982-C);

5 E. The Paying Agent, Registrar and Transfer Agent Agreement between the City
6 and Zions First National Bank, as Paying Agent, relating to the Series 2012 Bonds (the “Paying
7 Agent Agreement”), (Clerk File No. 11-982-D);

8 F. The Escrow Agreement between the City and Zions First National Bank, as
9 Escrow Bank, relating to the Refunding Project (the “Escrow Agreement”) (Clerk File No. 11-982-
10 E); and

11 G. The Manager’s Resolution (Clerk File No. 11-982-F).

12 (21) WHEREAS, this Ordinance has been initiated to approve the sale of the Series 2012
13 Bonds as requested, approved and authorized in the Manager’s Resolution.

14 BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:

15 Section 1. Definitions and Construction.

16 A. Definitions. In this Ordinance the following terms have the following
17 respective meanings unless the context hereof clearly requires otherwise. Any terms not defined
18 herein have the meanings set forth in the City Code.

19 (1) Acquire or Acquisition: the design, construction, reconstruction,
20 purchase, lease, gift, transfer, assignment, option to purchase, grant from the federal
21 government or any public body or other person, endowment, bequest, devise, installation,
22 condemnation, contract or other acquirement or other provision, or any combination
23 thereof, of facilities, other property, any project or an interest therein as authorized by the
24 Act or the City Code.

25 (2) Act: part 4 of article 35 of title 31, Colorado Revised Statutes, as
26 amended.

27 (3) Additional Parity Bonds: any Parity Securities issued after the initial
28 issuance of any of the Series 2012 Bonds. If the Series 2012 Bonds are issued in more
29 than one series, any additional series of Series 2012 Bonds issued after the initial series of
30 Series 2012 Bonds shall be deemed to be Additional Parity Bonds hereunder.

1 (4) Average Annual Debt Service Requirements: the aggregate of all Debt
2 Service Requirements (excluding any redemption premiums) due on the Series 2012
3 Bonds or other issue of Parity Securities for all Bond Years beginning with the Bond Year in
4 which Debt Service Requirements of the Series 2012 Bonds or such Parity Securities are
5 first payable, and ending with the Bond Year in which the last of the Debt Service
6 Requirements are payable, divided by the whole number of such years.

7 (5) Beneficial Owners: those Persons having beneficial ownership
8 interests in Series 2012 Bonds registered in the name of the Securities Depository or a
9 nominee therefor.

10 (6) Bond Purchase Agreement: to the extent that all or a portion of any
11 series of Series 2012 Bonds are sold by negotiated sale, the Bond Purchase Agreement
12 between the City and the Underwriter or Underwriters relating to the sale of such Series
13 2012 Bonds.

14 (7) Bond Year: the twelve (12) months commencing on the second day of
15 November of any calendar year and ending on the first day of November of the next
16 succeeding calendar year.

17 (8) Business Day: any day other than a Saturday, Sunday, legal holiday
18 or any other day on which the office of the Paying Agent, the Registrar or the Transfer
19 Agent is authorized or required by law to remain closed.

20 (9) Charter: the home rule charter of the City, as amended from time to
21 time.

22 (10) City: the City and County of Denver, Colorado, for and on behalf of the
23 Enterprise, or, when the context so indicates, the City and County of Denver, Colorado.

24 (11) City Code: the Revised Municipal Code of the City, as amended from
25 time to time.

26 (12) Combined Average Annual Debt Service Requirements: the sum of
27 the Average Annual Debt Service Requirements for all issues of Series 2012 Bonds or
28 Parity Securities for which the computation is being made.

29 (13) Combined Maximum Annual Debt Service Requirements: the
30 Maximum Annual Debt Service Requirements for all issues of Series 2012 Bonds or Parity
31 Securities for which the computation is being made, treated as a single issue.

1 (14) Comparable Bond Year: in connection with any Fiscal Year, the Bond
2 Year that ends in such Fiscal Year. For example, for the Fiscal Year commencing on
3 January 1, 2013, the Comparable Bond Year for the Series 2012 Bonds commences on
4 November 2, 2012, and ends on November 1, 2013.

5 (15) Construction Fund: collectively, the special funds heretofore created
6 as the storm drainage capital improvements fund and the sanitary sewer capital
7 improvements fund and referred to in Section 5B hereof.

8 (16) Continuing Disclosure Undertaking: each Continuing Disclosure
9 Undertaking executed by the City on the date of delivery of each series of Series 2012
10 Bonds.

11 (17) Cost of the 2012 Project: all or any part of the cost of Acquisition,
12 Improvement and Equipment of all or any part of the 2012 Project, including without
13 limitation all or any property, rights, easements, privileges, agreements and franchises
14 deemed necessary, useful or convenient therefor or in connection therewith, interest or
15 discount on the Series 2012 Bonds, costs of issuance of the Series 2012 Bonds,
16 engineering and inspection costs, legal expenses, costs of financial, professional and other
17 estimates and advice, contingencies, any administrative, operating and other expenses
18 prior to and during such Acquisition, Improvement and Equipment and additionally during a
19 period of not exceeding one year after the completion thereof and all such other expenses
20 as may be necessary or incidental to the financing, Acquisition, Improvement, Equipment
21 and completion of the 2012 Project or any part thereof and the placing of the same in
22 operation, provision of reserves for working capital, operation, maintenance or replacement
23 expenses or for payment or security of principal of or interest on the Series 2012 Bonds
24 during or after such Acquisition, Improvement or Equipment and also reimbursements of
25 any moneys theretofore expended for or in connection with the 2012 Project.

26 (18) Costs of Issuance: all financial, legal, accounting, consulting and
27 rating fees, the fees and expenses of the Paying Agent, Registrar and Transfer Agent, the
28 fees and expenses of the Escrow Agent, and all costs of printing, mailing and publication
29 and similar costs incurred in connection with the offer, sale and issuance of the Series 2012
30 Bonds.

31 (19) Costs of Issuance Fund: the special fund created and referred to in
32 Section 5C hereof and held by the Paying Agent.

1 (20) Council: the governing body of the City.

2 (21) Debt Service Requirements: for any period, the amount required to
3 pay the principal of, interest on and any premium due in connection with the redemption of
4 any designated outstanding securities during such period; provided that the determination
5 of Debt Service Requirements of any securities shall assume the redemption and payment
6 of such securities on any applicable mandatory redemption date. When computing the
7 Debt Service Requirements for any issue of securities bearing interest at a variable,
8 adjustable, convertible or other similar rate that is not fixed for the entire term thereof, it
9 shall be assumed that any such securities Outstanding at the time of the computation will
10 bear interest during any period at the highest of (a) the actual rate on the date of
11 calculation, or if the securities are not yet outstanding, the initial rate (if established and
12 binding), (b) if the securities have been outstanding for at least twelve (12) months, the
13 average rate over the twelve (12) months immediately preceding the date of calculation,
14 and (c) (i) if interest on the securities is excludable from gross income under the applicable
15 provisions of the Tax Code, the average of the SIFMA Index during the preceding twelve
16 (12) months plus one hundred (100) basis points, or (ii) if interest is not so excludable, the
17 interest rate on direct Federal Securities with comparable maturities plus fifty (50) basis
18 points. It is to be further assumed that any such variable rate securities that may be
19 tendered prior to maturity for purchase at the option of the owner thereof will mature on
20 their stated Maturity Dates or mandatory Redemption Dates. The City shall be permitted to
21 treat any fixed rate payable on an interest rate exchange agreement or “swap” contract as
22 the interest rate on any such issue of variable rate securities if the counterparty to such
23 agreement or contract has unconditionally agreed to pay all interest due on such variable
24 rate securities.

25 (22) Debt Service Fund: the special fund created in Section 5F hereof and
26 held by the City.

27 (23) Enterprise: the Wastewater Management Division of the Department
28 of Public Works of the City.

29 (24) Enterprise Ordinance: Ordinance No. 755, Series of 1993,
30 establishing the Enterprise and authorizing the Enterprise to have and exercise certain
31 powers in furtherance of its purposes.

1 (25) Equip or Equipment: the furnishing of all necessary or desirable,
2 related or appurtenant machinery and other facilities, or any combination thereof,
3 appertaining to any property, project or interest therein, as authorized by the Act or the City
4 Code.

5 (26) Escrow Account: that special and separate Escrow Account
6 designated as the "Wastewater Revenue Bonds, Series 2002, Escrow Account" created in
7 Section 5A hereof in connection with the Refunding Project.

8 (27) Escrow Agreement: the Escrow Agreement between the City and the
9 Escrow Bank relating to the Refunding Project.

10 (28) Escrow Bank: Zions First National Bank, a national banking
11 association, in the capacity of escrow bank pursuant to the Escrow Agreement, or such
12 successor escrow bank.

13 (29) Event of Default: any one of the events described in Section 10A
14 hereof.

15 (30) Federal Securities: bills, certificates of indebtedness, notes or bonds
16 which are direct obligations of, or the principal and interest of which obligations are
17 unconditionally guaranteed by the United States of America, which are non-callable and
18 mature prior to the date on which the proceeds thereof are needed to pay the Debt Service
19 Requirements.

20 (31) Fiscal Year: the City's fiscal year, which commences on January 1 of
21 any calendar year and ends on December 31 of the same calendar year.

22 (32) Improve or Improvement: the addition, construction, reconstruction,
23 extension, enlargement, betterment, replacement or improvement or any combination
24 thereof, of facilities, other property, any project or any interest therein, as authorized by the
25 Act or the City Code.

26 (33) Income: all income from rates, fees and charges for the services
27 furnished by, the direct or indirect connection with, or use of, the Storm Drainage Facilities
28 or the Sanitary Sewerage Facilities, including without limitation the storm drainage service
29 charges imposed under Secs. 56-112 and 56-113 of the City Code, the sanitary sewage
30 service charges, industrial waste surcharges and carriage, treatment and disposal charges
31 imposed under Secs. 56-93, 56-94, 56-98 and 56-99 of the City Code and all income or

1 other gain, if any, from investment of the Income, but excluding sanitary sewer connection
2 fees, sanitary sewer services availability fees, storm drainage or sanitary sewer impact
3 fees, special assessments for storm drainage or sanitary sewer purposes, grants or
4 reimbursements from any local, State or federal government or agency thereof and any tap
5 fees collected for or on behalf of the Metro Wastewater Reclamation District or any other
6 local government or agency thereof.

7 (34) Independent Accountant: any certified public accountant, or any firm
8 of such accountants, within the meaning of Section 12-2-115, Colorado Revised Statutes,
9 as amended, licensed to practice under the laws of the State, independent of the City and
10 not an officer or employee of the City but that may be regularly retained to make annual or
11 similar audits of any books or records of the City.

12 (35) Insured Bank: a state or national bank or trust company whose
13 deposits are insured by the Federal Deposit Insurance Corporation and that is a member of
14 the Federal Reserve System, is located within the United States and that has a
15 shareholders' equity (i.e., capital stock, surplus and undivided profits), however
16 denominated, of \$50,000,000 or more, or such lesser amount as may be approved by the
17 Treasurer.

18 (36) Interest Payment Date: a date designated for the payment of interest
19 on the Series 2012 Bonds or any other designated securities.

20 (37) Manager: the Manager of the Department of Public Works of the City.

21 (38) Manager's Resolution: the resolution adopted by the Manager prior to
22 the adoption of this Ordinance, relating to the Series 2012 Bonds.

23 (39) Maturity Date: a date designated for the payment of principal on the
24 Series 2012 Bonds or any other designated securities.

25 (40) Maximum Annual Debt Service Requirements: the maximum
26 aggregate amount of Debt Service Requirements (excluding redemption premiums) due on
27 the Series 2012 Bonds or any other issue of Parity Securities in any Bond Year beginning
28 with the Bond Year in which Debt Service Requirements of the Series 2012 Bonds or such
29 Parity Securities are first payable after the computation date and ending with the Bond Year
30 in which the last of the Debt Service Requirements are payable.

1 (41) Net Pledged Revenues: all Income remaining after the deduction of
2 Operation and Maintenance Expenses.

3 (42) Notice of Sale: to the extent that all or a portion of any series of Series
4 2012 Bonds are sold by competitive sale, the Public Notice of Sale relating to such Series
5 2012 Bonds.

6 (43) Official Statement: the Official Statement with respect to a specific
7 series of Series 2012 Bonds.

8 (44) Operation and Maintenance Fund: collectively, the special funds
9 heretofore created as the storm drainage operating fund and the sanitary sewer operating
10 fund and referred to in Section 5E hereof.

11 (45) Operation and Maintenance Expenses: such reasonable and
12 necessary current expenses, paid or accrued, of operating, maintaining and repairing the
13 Storm Drainage Facilities and the Sanitary Sewerage Facilities. The term may include,
14 except as limited by contract or otherwise limited by law, without limiting the generality of
15 the foregoing:

16 (a) Engineering, auditing, legal and other overhead expenses
17 directly related and reasonably allocable to the administration, operation and
18 maintenance of the Storm Drainage Facilities or the Sanitary Sewerage Facilities;

19 (b) Insurance and surety bond premiums appertaining to the Storm
20 Drainage Facilities or the Sanitary Sewerage Facilities;

21 (c) The reasonable charges of any paying agent, registrar, transfer
22 agent, depository or escrow bank appertaining to the Storm Drainage Facilities or
23 the Sanitary Sewerage Facilities or any bonds or other securities issued therefor;

24 (d) Annual payments to pension, retirement, health and
25 hospitalization funds appertaining to the Storm Drainage Facilities or the Sanitary
26 Sewerage Facilities;

27 (e) Any taxes, assessments, franchise fees or other charges or
28 payments in lieu of the foregoing;

29 (f) Ordinary and current rentals of equipment or other property;

1 (g) Contractual services, professional services, salaries,
2 administrative expenses and costs of labor appertaining to the Storm Drainage
3 Facilities or the Sanitary Sewerage Facilities, the cost of materials and supplies used
4 for current operation or routine maintenance and repair of the Storm Drainage
5 Facilities or the Sanitary Sewerage Facilities and payments to the Metro Wastewater
6 Reclamation District for the treatment of sewage and other related services;

7 (h) The costs incurred in the collection of all or any part of the
8 Income;

9 (i) Any costs of utility services furnished to the Storm Drainage
10 Facilities or the Sanitary Sewerage Facilities by the City or otherwise; and

11 (j) Any other such expenses considered by the City in determining
12 the amount of storm drainage or sanitary sewer rates, fees and charges imposed for
13 operation and maintenance.

14 “Operation and Maintenance Expenses” does not include:

15 (a) Any allowance for depreciation;

16 (b) Any costs of Improvements, extensions or betterments;

17 (c) Any accumulation of reserves for capital replacements;

18 (d) Any accumulation of reserves for operation, maintenance, or
19 repair of the Storm Drainage Facilities or the Sanitary Sewerage Facilities;

20 (e) Any allowance for the redemption of any bonds or other
21 securities or the payment of any interest thereon;

22 (f) Any liabilities incurred in the Acquisition of any properties
23 comprising the Storm Drainage Facilities or the Sanitary Sewerage Facilities or any
24 existing properties comprising the Storm Drainage Facilities or the Sanitary
25 Sewerage Facilities or any combination thereof; and

26 (g) Any other ground of legal liability not based on contract.

27 (46) Ordinance: this Ordinance as adopted by the Council.

1 (47) Outstanding: as of any particular date, all the Series 2012 Bonds,
2 Additional Parity Bonds, Parity Securities or any such other securities payable in whole or
3 in part from the Net Pledged Revenues that have been authorized, executed and delivered,
4 except the following:

5 (a) Any Series 2012 Bond, Additional Parity Bond, Parity Security
6 or other security canceled on or before such date;

7 (b) Any Series 2012 Bond, Additional Parity Bond, Parity Security
8 or other security held by or on behalf of the City;

9 (c) Any Series 2012 Bond, Additional Parity Bond, Parity Security
10 or other security for the payment or the redemption of which moneys or Federal
11 Securities, or both, sufficient (including the known minimum yield available for such
12 purpose from Federal Securities in which such amount wholly or in part may be
13 initially invested) to pay all of the Debt Service Requirements of such Series 2012
14 Bond, Additional Parity Bond, Parity Security or other security to the Maturity Date or
15 Redemption Date thereof shall have theretofore been deposited in escrow or in trust
16 with an Insured Bank for that purpose; and

17 (d) Any lost, destroyed, or wrongfully taken Series 2012 Bond,
18 Additional Parity Bond, Parity Security or other security in lieu of or in substitution for
19 which another bond or other security shall have been executed and delivered.

20 (48) Owner: the registered owner of any Series 2012 Bond.

21 (49) Parity Securities: bonds, notes, securities, leases or other obligations
22 payable in whole or in part from the Net Pledged Revenues and having a lien on the Net
23 Pledged Revenues on a parity with the lien thereon of the Series 2012 Bonds.

24 (50) Participants: participating underwriters, securities brokers or dealers,
25 banks, trust companies, closing corporations or other persons or entities for which the
26 Securities Depository holds Series 2012 Bonds.

27 (51) Paying Agent: Zions First National Bank, a national banking
28 association, or such successor paying agent, as shall be appointed hereunder.

29 (52) Paying Agent Agreement: with respect to each series of Series 2012
30 Bonds, the Paying Agent, Registrar and Transfer Agent Agreement between the City and
31 the Paying Agent, relating to such Series 2012 Bonds.

1 (53) Permitted Investments: such investments or reinvestments as are
2 permitted and authorized to be made by the Treasurer pursuant to the Charter and the
3 City's investment policy.

4 (54) Person: any individual, firm, partnership, corporation, company,
5 association, joint stock association or body politic or any trustee, receiver, assignee or
6 similar representative thereof.

7 (55) Policy Costs: to the extent that the Reserve Account or any reserve
8 account securing the payment of Additional Parity Bonds is funded, in whole or in part, by a
9 debt service reserve fund policy or similar credit facility, policy costs shall mean the
10 principal amount of any claim paid by the bond insurer under such debt service reserve
11 policy or credit facility, reasonable expenses paid by the bond insurer in connection
12 therewith and interest accrued on the foregoing as provided in such debt service reserve
13 policy or credit facility.

14 (56) Preliminary Official Statement: the Preliminary Official Statement with
15 respect to each series of Series 2012 Bonds.

16 (57) Project: collectively, the 2012 Project and the Refunding Project.

17 (58) Qualified Consultant: an independent consulting engineer or feasibility
18 consultant or firm of consulting engineers or feasibility consultants having skill, knowledge
19 and experience in analyzing the operations of storm drainage and sanitary sewer systems.

20 (59) Rebate Account: the special account created and referred to in
21 Section 5L hereof.

22 (60) Record Date: the 15th day (whether or not a Business Day) of the
23 calendar month next preceding each regularly scheduled interest payment date for the
24 Series 2012 Bonds.

25 (61) Redemption Date: the date designated for optional or mandatory
26 sinking fund redemption prior to maturity of any Series 2012 Bonds or other designated
27 securities.

28 (62) Refunded Bonds: all or a portion of the 2002 Bonds, as set forth in the
29 Sale Certificate.

30 (63) Refunded Bond Requirements: the payment of (i) the interest due on
31 the Refunded Bonds on the Maturity Date or Redemption Date of the Refunded Bonds, and

1 (ii) the principal of the Refunded Bonds due on the Maturity Date or Redemption Date of
2 the Refunded Bonds, as set forth in the Escrow Agreement.

3 (64) Refunding Project: defraying the cost of refunding, paying and
4 discharging the Refunded Bonds and paying certain costs of issuance relating thereto.

5 (65) Registrar: Zions First National Bank, a national banking association, or
6 such successor registrar as shall be appointed hereunder.

7 (66) Reserve Account: the special account created in Section 5G hereof
8 and held by the City.

9 (67) Reserve Requirement: for the Series 2012 Bonds and all Additional
10 Parity Bonds to which the Reserve Account is pledged, an amount equal to fifty percent
11 (50%) of the Combined Maximum Annual Debt Service Requirements of the Series 2012
12 Bonds and any Additional Parity Bonds to which the Reserve Account is pledged, or such
13 other requirement, if any, as set forth in the Sale Certificate.

14 (68) Sale Certificate: with respect to each series of Series 2012 Bonds, a
15 certificate executed by the Mayor or the Treasurer of the City on or before the date of
16 delivery of such Series 2012 Bonds setting forth the determinations that may be delegated
17 to such officials pursuant to Section 11-57-205(1) of the Supplemental Act and also setting
18 forth the determinations that have been delegated to such officials pursuant to the Charter
19 and Section 3B hereof.

20 (69) Sanitary Sewerage Facilities: all land, lines and appurtenances,
21 pumping stations, treatment plant and works, equipment and general property involved in
22 collecting, transporting and treating domestic and industrial wastes and the disposition of
23 sludge and effluent from sources to points of discharge, including, but not limited to, inlets,
24 collection and disposal lines, intercepting sewers, outfall sewers, sewage lagoons and
25 pumping and power equipment.

26 (70) Securities Depository: The Depository Trust Company, New York,
27 New York, hereby designated as the depository for the Series 2012 Bonds, and includes
28 any nominee or successor thereof.

29 (71) Security or securities: any bond issued by the City or the Enterprise or
30 any other evidence of the advancement of money to the City or the Enterprise.

1 (72) Series 2012 Bonds: one or more series of the City and County of
2 Denver, Colorado, for and on behalf of the Wastewater Management Division of its
3 Department of Public Works, Wastewater Enterprise Revenue Bonds, as so named and
4 with such details as set forth in a Sale Certificate.

5 (73) SIFMA Index: the Securities Industry and Financial Markets
6 Association Municipal Swap Index, produced by Municipal Market Data, or if such index is
7 not published, then such other index selected by the Treasurer which reflects the yield of
8 tax-exempt seven-day variable rate demand bonds.

9 (74) Special Record Date: the date fixed by the Paying Agent for the
10 determination of ownership of Series 2012 Bonds for the purpose of paying interest not
11 paid when due or interest accruing after maturity.

12 (75) State: the State of Colorado.

13 (76) Storm Drainage Facilities: all man-made structures or natural
14 watercourses used for collecting and conducting storm water to, through and from drainage
15 areas to the points of final outlet, including, but not limited to, any and all of the following:
16 pipes, conduits and appurtenant features, canals, channels, ditches, streams, gulches,
17 gullies, flumes, culverts, siphons, catch basins, bridges, streets, alleys, cross-pans, curbs,
18 gutters and pumping stations.

19 (77) Subordinate Bonds or Subordinate Securities: Bonds or securities
20 payable from the Net Pledged Revenues having a lien thereon subordinate or junior to the
21 lien thereon of the Series 2012 Bonds.

22 (78) Superior Bonds or Superior Securities: Bonds or securities payable
23 from the Net Pledged Revenues having a lien thereon superior or senior to the lien thereon
24 of the Series 2012 Bonds.

25 (79) Supplemental Act: the Supplemental Public Securities Act, constituting
26 Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended.

27 (80) Tax Code: the Internal Revenue Code of 1986, as amended.

28 (81) Transfer Agent: Zions First National Bank, a national banking
29 association, or such successor transfer agent as shall be appointed hereunder.

30 (82) Treasurer: the City's Manager of Finance, ex-officio Treasurer, or the
31 Treasurer's successor in functions, if any.

1 (83) 2002 Bonds: the City and County of Denver, Colorado, for and on
2 behalf of the Wastewater Division of its Department of Public Works, Wastewater Revenue
3 Bonds, Series 2002.

4 (84) 2012 Project: the Acquisition, Improvement and Equipment of the
5 Storm Drainage Facilities and/or Sanitary Sewerage Facilities that are being financed with
6 a portion of the proceeds of the Series 2012 Bonds.

7 (85) Underwriter: collectively, the underwriter or underwriters of the Series
8 2012 Bonds as set forth in the applicable Sale Certificate.

9 (86) Wastewater Management Enterprise Fund: the special fund heretofore
10 created and referred to in Section 5D hereof.

11 B. Construction. This Ordinance shall be construed as follows:

12 (i) The captions herein are for convenience only and in no way define,
13 limit or describe the scope or intent of any provision hereof.

14 (ii) Any Series 2012 Bonds held by the City shall not be deemed to be
15 Outstanding for the purpose of redemption or of consents hereunder.

16 (iii) Any inconsistency between the provisions of this Ordinance and those
17 of any applicable State statutes is intended by the Council. To the extent of any such
18 inconsistency, the provisions of this Ordinance shall be deemed made pursuant to the Charter and
19 shall supersede to the extent permitted by law the conflicting provisions of said statutes.

20 Section 2. Certain Determinations.

21 A. Authority. This Ordinance is adopted pursuant to the City's powers as a home
22 rule city organized and operating under the Charter and Article XX of the State Constitution and
23 pursuant to the Supplemental Act, the provisions of which are hereby elected (as limited herein);
24 and the City hereby determines that each and every matter and thing as to which provision is
25 made herein is necessary in order to carry out and to effect the purposes hereof. This Ordinance
26 is also adopted pursuant to the Enterprise Ordinance, the Manager's Resolution and the Act.

27 B. Necessity of Project. It is necessary and in the best interests of the City and
28 the inhabitants thereof that the City undertake the 2012 Project and the Refunding Project herein
29 authorized and defray the costs thereof by issuing the Series 2012 Bonds.

1 C. Ratification of Actions. All action heretofore taken (not inconsistent with the
2 provisions of this Ordinance) by the officers, agents and employees of the City relating to
3 undertaking and effectuating the Project and the issuance, sale and delivery of the Series 2012
4 Bonds for that purpose is hereby ratified, approved, and confirmed.

5 Section 3. The Series 2012 Bonds.

6 A. Authorization of Project and Series 2012 Bonds. The City hereby authorizes
7 the 2012 Project, the Refunding Project and the issuance of the Series 2012 Bonds, in one or
8 more series, as determined in the Sale Certificate, to defray the costs thereof. All Debt Service
9 Requirements of the Series 2012 Bonds shall be payable solely out of Net Pledged Revenues.

10 B. Delegation. Pursuant to the Charter and Section 11-57-205 of the
11 Supplemental Act, the Council hereby delegates to each of the Mayor or the Treasurer the
12 independent authority (i) to determine whether any of the Series 2012 Bonds will be sold by
13 competitive bidding or by negotiated sale, (ii) for any Series 2012 Bonds sold by negotiated sale,
14 to sign a contract or contracts for the purchase of such Series 2012 Bonds in accordance with the
15 terms and provisions of this Ordinance and the Bond Purchase Agreement, and (iii) for any Series
16 2012 Bonds sold by competitive bidding, to receive bids for the purchase of such Series 2012
17 Bonds, to determine the best bid therefor in accordance with the terms and provisions of this
18 Ordinance and the Notice of Sale, and to accept a binding bid or bids for such Series 2012 Bonds,
19 and to execute any agreement in connection therewith. At the time the Mayor or the Treasurer, as
20 the case may be, signs a contract or accepts a binding bid for any of the Series 2012 Bonds, the
21 Mayor or the Treasurer shall also simultaneously execute the Sale Certificate setting forth the
22 purchaser of such Series 2012 Bonds and the terms of such Series 2012 Bonds.

23 Pursuant to the Charter and the Supplemental Act, the Council hereby further
24 delegates to each of the Mayor or the Treasurer the authority to independently make any
25 determination delegable pursuant to Section 11-57-205(1) of the Supplemental Act, in relation to
26 the Series 2012 Bonds, and to include such determinations in the Sale Certificate for each series
27 of Series 2012 Bonds, subject to the parameters and restrictions contained herein.

28 Approval of this Ordinance grants continuing authority to the Mayor or the Treasurer
29 to approve the issuance of one or more series of Series 2012 Bonds for one year after the
30 adoption of this Ordinance without further action by the Council subject to the parameters set forth
31 herein. The issuance of one or more series of Series 2012 Bonds pursuant to this Ordinance
32 does not foreclose the issuance of subsequent series of Series 2012 Bonds so long as each

1 series of Series 2012 Bonds issued pursuant to this Ordinance complies with the parameters and
2 restrictions set forth in this Ordinance.

3 The delegation set forth in this Section 302 shall be effective for one year after
4 adoption of this Ordinance.

5 C. Bond Details; Parameters.

6 (1) Generally; Parameters. The Series 2012 Bonds shall be issued in fully
7 registered form and shall initially be registered in the name of Cede & Co., as nominee for
8 the Securities Depository. Purchases by Beneficial Owners of the Series 2012 Bonds shall
9 be made in book-entry form in the denominations of \$5,000 or any integral multiple thereof.
10 The Beneficial Owners of the Series 2012 Bonds shall not receive certificates evidencing
11 their interests in the Series 2012 Bonds. No Series 2012 Bond shall be issued in any
12 denomination larger than the aggregate principal amount maturing on the Maturity Date of
13 such Series 2012 Bond, and no Series 2012 Bond shall be made payable on more than
14 one Maturity Date.

15 Pursuant to the recommendations of the Committee on Uniform Security
16 Identification Procedures, CUSIP numbers may be printed on the Series 2012 Bonds.

17 The Series 2012 Bonds shall be dated their date of delivery, mature, be
18 payable, bear interest payable to the Owners of the Series 2012 Bonds from their date to
19 maturity or prior redemption, be sold, all as provided in the applicable Sale Certificate;
20 provided that:

21 (i) all Series 2012 Bonds shall mature no later than November 1, 2032;

22 (ii) the maximum net effective interest rate of the Series 2012 Bonds shall
23 not exceed 5.00%;

24 (iii) the aggregate principal amount of the Series 2012 Bonds is estimated
25 to be \$55,000,000, but shall not in any event exceed \$60,000,000;

26 (iv) with respect to any series of Series 2012 Bonds issued to effectuate
27 the Refunding Project, there shall be a net present value savings resulting from refunding
28 the Refunded Bonds of 3.00% or more;

29 (v) the net purchase price of each series of Series 2012 Bonds shall not
30 be less than 100% of the original principal amount of such Series 2012 Bonds; and

1 (vi) each series of Series 2012 Bonds (a) shall not be subject to optional
2 redemption prior to maturity, or (b) may be subject to optional redemption at such time or
3 times as permitted by State law and as set forth in the Sale Certificate, at a redemption
4 price not to exceed 100%.

5 Interest on the Series 2012 Bonds shall be calculated on the basis of a 360-
6 day year of twelve 30-day months, payable semiannually on May 1 and November 1,
7 commencing on the date or dates set forth in the Sale Certificate.

8 If the principal of or interest on any Series 2012 Bond is not paid as provided
9 herein, interest shall be payable on such unpaid principal or interest at the interest rate
10 specified in the Series 2012 Bond until such unpaid principal or interest is paid in full.

11 The principal of, interest on and any premium due in connection with the
12 redemption of the Series 2012 Bonds shall be payable in lawful money of the United States
13 of America to the registered Owners of the Series 2012 Bonds by the Paying Agent. The
14 principal and the final installment of interest shall be payable to the Owner of each Series
15 2012 Bond upon presentation and surrender thereof at maturity or upon prior redemption
16 by check or draft sent to the Owner at the address appearing on the registration books of
17 the City maintained by the Registrar or by wire transfer to such bank or other depository as
18 the Owner shall designate in writing to the Paying Agent. Except as hereinbefore and
19 hereinafter provided, the interest shall be payable to the Owner of each Series 2012 Bond
20 determined as of the close of business on the Record Date irrespective of any transfer of
21 ownership of the Series 2012 Bond subsequent to the Record Date and prior to such
22 Interest Payment Date by check or draft or wire transfer directed to such Owner as
23 aforesaid. Any principal or interest not paid when due and any interest accruing after
24 maturity shall be payable to the Owner of each Series 2012 Bond entitled to receive such
25 principal or interest determined as of the close of business on the Special Record Date,
26 irrespective of any transfer of ownership of the Series 2012 Bond subsequent to the
27 Special Record Date and prior to the date fixed by the Paying Agent for the payment of
28 such principal or interest, by check or draft or wire transfer directed to such Owner as
29 aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such
30 interest shall be given by sending a copy thereof by first-class postage prepaid mail at least
31 fifteen (15) days prior to the Special Record Date to the Owner of each Series 2012 Bond
32 upon which principal or interest will be paid determined as of the close of business on the
33 day preceding such mailing at the address appearing on the registration books of the City.

1 Any premium shall be payable to the Owner of each Series 2012 Bond being redeemed
2 upon presentation and surrender thereof upon prior redemption by check or draft or wire
3 transfer directed to such Owner as aforesaid. So long as the Owner of any Series 2012
4 Bond is the Securities Depository or a nominee therefor, the Securities Depository shall
5 disburse any payments received, through Participants or otherwise, to the Beneficial
6 Owners. If the date for making any payment or giving any notice is not a Business Day,
7 such payment or notice shall be made or given on the next succeeding Business Day.

8 So long as the registered owner of any Series 2012 Bond is the Securities
9 Depository or a nominee therefor, the Securities Depository shall disburse any payments
10 received, through participating underwriters, securities brokers or dealers, banks, trust
11 companies, closing corporations or other persons or entities for which the Securities
12 Depository holds Series 2012 Bonds or otherwise, to the Beneficial Owner or Owners
13 thereof.

14 Neither the City nor the Paying Agent shall have any responsibility or
15 obligation for the payment to any Participant, any Beneficial Owner or any other Person
16 (except an Owner of Series 2012 Bonds) of the principal of, interest on or any premium due
17 on the Series 2012 Bonds.

18 Notwithstanding the foregoing provisions or any other provisions of this
19 Ordinance to the contrary, so long as the Series 2012 Bonds are held in book-entry form,
20 the payment, registration, exchange, transfer and redemption provisions of the Series 2012
21 Bonds shall conform to the requirements of the Securities Depository.

22 (2) Redemption. The Series 2012 Bonds shall be subject to redemption
23 prior to their respective Maturity Dates as set forth in the applicable Sale Certificate.

24 The Series 2012 Bonds may also be subject to mandatory sinking fund
25 redemption if so determined in the applicable Sale Certificate.

26 Series 2012 Bonds that are redeemable prior to their respective Maturity
27 Dates may be redeemed in part if issued in denominations that are integral multiples of
28 \$5,000. In such case the Series 2012 Bond shall be surrendered in the manner provided
29 for transfers of ownership. Upon payment of the redemption price the Owner shall receive
30 a new Series 2012 Bond or Series 2012 Bonds of authorized denominations in aggregate
31 principal amount equal to the unredeemed portion of the Series 2012 Bond surrendered.

1 Such Series 2012 Bonds shall be treated as representing a corresponding number of
2 separate Series 2012 Bonds in the denomination of \$5,000 each.

3 Unless waived by the Owners of any Series 2012 Bonds to be redeemed,
4 notice of redemption shall be given by the Paying Agent in the name of the City by sending
5 a copy thereof by first-class postage prepaid mail, or by using such other method required
6 by the Securities Depository, not less than thirty (30) days or more than sixty (60) days
7 prior to the Redemption Date to the Owner of each of the Series 2012 Bonds being
8 redeemed determined as of the close of business on the day preceding the first mailing of
9 such notice at the address appearing on the registration books of the City. Such notice
10 shall specify: (i) the number or numbers of the Series 2012 Bonds to be redeemed,
11 whether in whole or in part; (ii) the principal amounts thereof; (iii) the CUSIP numbers of the
12 Series 2012 Bonds to be redeemed; (iv) the date the Series 2012 Bonds were originally
13 issued; (v) the rate of interest borne by each Series 2012 Bond to be redeemed; (vi) the
14 maturity date of each Series 2012 Bond to be redeemed; (vii) the date fixed for redemption;
15 (viii) that on the Redemption Date there will be due and payable upon each Series 2012
16 Bond or part thereof so to be redeemed at the office of the Paying Agent the principal
17 amount or part thereof plus accrued interest thereon to the Redemption Date and that from
18 and after such date interest will cease to accrue; and, (ix) any other descriptive information
19 determined by the Paying Agent or the Treasurer to be necessary to identify accurately the
20 Series 2012 Bonds being redeemed. In addition, the Paying Agent is hereby authorized
21 and directed to give such other or further notice as may be required by law and to comply
22 with any operational procedures and requirements of the Securities Depository relating to
23 redemption of bonds and notice thereof. Each such notice of redemption shall be sent at
24 least thirty (30) days before the Redemption Date by first class mail or overnight delivery
25 service or by electronic submission to the Securities Depository. Failure to send any notice
26 as aforesaid or any defect in any notice so sent with respect to any Series 2012 Bond shall
27 not affect the validity of the redemption proceedings with respect to any other Series 2012
28 Bond.

29 On or prior to the Redemption Date, the City shall deposit with the Paying
30 Agent sufficient funds to redeem any Series 2012 Bonds called for prior redemption on the
31 Redemption Date. Upon such deposit, the Series 2012 Bonds or portions thereof to be
32 redeemed shall be due and payable on the Redemption Date, and on the Redemption Date
33 interest shall cease to accrue thereon. Any Series 2012 Bonds redeemed prior to their

1 respective Maturity Dates by call for prior redemption or otherwise shall not be reissued
2 and shall be canceled the same as Series 2012 Bonds paid at or after maturity.

3 Notwithstanding the provisions of this section, any notice of redemption may
4 contain a statement that the redemption is conditioned upon the receipt by the Paying
5 Agent of funds on or before the date fixed for redemption sufficient to pay the redemption
6 price of the Series 2012 Bonds called for redemption, and that if such funds are not
7 available, such redemption shall be cancelled by written notice to the Owners of such
8 Series 2012 Bonds called for redemption in the same manner as the original redemption
9 notice was sent.

10 (3) Negotiability. Subject to the registration and payment provisions
11 herein provided, the Series 2012 Bonds shall be fully negotiable within the meaning of and
12 for the purposes of the Uniform Commercial Code -- Investment Securities, and each
13 Owner shall possess all rights enjoyed by holders of negotiable instruments under the
14 Uniform Commercial Code -- Investment Securities.

15 (4) Execution and Authentication. The Series 2012 Bonds shall be
16 executed in the name and on behalf of the City with the manual or facsimile signature of the
17 Mayor, shall be sealed with the manual or facsimile impression of the seal of the City and
18 attested with the manual or facsimile signature of the Clerk. Each Series 2012 Bond shall
19 be authenticated with the manual signature of the Registrar. The Series 2012 Bonds
20 bearing the manual or facsimile signatures of the officers in office at the time of the
21 authorization thereof shall be the valid and binding obligations of the City, subject to the
22 requirement of authentication by the Registrar, notwithstanding that before the delivery
23 thereof and payment therefor or before the transfer or exchange thereof any or all or the
24 Persons whose manual or facsimile signatures appear thereon shall have ceased to fill
25 their respective offices. No Series 2012 Bond shall be valid or obligatory for any purpose
26 or be entitled to any security or benefit under this Ordinance unless the certificate of
27 authentication on such Series 2012 Bond shall have been duly executed by the Registrar,
28 and such executed certificate upon any such Series 2012 Bond shall be conclusive
29 evidence that such Series 2012 Bond has been authenticated and delivered under this
30 Ordinance.

1 (5) Registration, Transfer and Exchange of Bonds. Upon their execution
2 and authentication and prior to their delivery, the Series 2012 Bonds shall be registered for
3 the purpose of payment of principal and interest with the Registrar.

4 Neither the City nor the Registrar shall have any responsibility or obligation
5 with respect to the accuracy of the records of the Securities Depository or a nominee
6 therefor or any Participant with respect to any ownership interest in the Series 2012 Bonds
7 or the delivery to any Participant, Beneficial Owner or any other person of any notice with
8 respect to the Series 2012 Bonds.

9 The Series 2012 Bonds shall be transferable only upon the registration books
10 of the City by the Transfer Agent, at the request of the Owner thereof or his, her or its duly
11 authorized attorney-in-fact or legal representative. A Series 2012 Bond may be transferred
12 upon surrender thereof together with a written instrument of transfer duly executed by the
13 Owner or his, her or its duly authorized attorney-in-fact or legal representative with
14 guaranty of signature satisfactory to the Transfer Agent, containing written instructions as
15 to the details of the transfer, along with the social security number or federal employer
16 identification number of the transferee and, if the transferee is a trust, the names and social
17 security numbers of the settlors and beneficiaries of the trust. The Transfer Agent shall not
18 be required to transfer ownership of any Series 2012 Bond during the fifteen (15) days prior
19 to the first mailing of any notice of redemption for any Series 2012 Bond or to transfer
20 ownership of any Series 2012 Bond selected for redemption on or after the date of such
21 mailing. The Owner of any Series 2012 Bond or Series 2012 Bonds may also exchange
22 such Series 2012 Bond or Series 2012 Bonds for another Series 2012 Bond or Series 2012
23 Bonds of authorized denominations. Transfers and exchanges shall be made without
24 charge, except that the Transfer Agent may require payment of a sum sufficient to defray
25 any tax or other governmental charge that may hereafter be imposed in connection with
26 any transfer or exchange of Series 2012 Bonds. No transfer of any Series 2012 Bond shall
27 be effective until entered on the registration books of the City. In the case of every transfer
28 or exchange, the Registrar shall authenticate and the Transfer Agent shall deliver to the
29 new Owner a new Series 2012 Bond or Series 2012 Bonds of the same aggregate principal
30 amount maturing in the same year and bearing interest at the same per annum rate as the
31 Series 2012 Bond or Series 2012 Bonds surrendered. Such Series 2012 Bonds shall be
32 dated as of their date of authentication. New Series 2012 Bonds delivered upon any
33 transfer or exchange shall be valid obligations of the City, evidencing the same obligations

1 as the Series 2012 Bonds surrendered, shall be secured by this Ordinance, and shall be
2 entitled to all of the security and benefits hereof to the same extent as the Series 2012
3 Bonds surrendered. The City may deem and treat the Person in whose name any Series
4 2012 Bond is last registered upon the books of the City as the absolute Owner thereof for
5 the purpose of receiving payment of the principal of, interest on and any premium due in
6 connection with such Series 2012 Bond and for all other purposes, and all such payments
7 so made to such Person or upon his, her or its order shall be valid and effective to satisfy
8 and discharge the liability of the City upon such Series 2012 Bond to the extent of the sum
9 or sums so paid, and the City shall not be affected by any notice to the contrary.

10 Neither the City nor the Transfer Agent shall have any responsibility or
11 obligation with respect to the accuracy of the records of the Securities Depository or its
12 Participants regarding any ownership interest in the Series 2012 Bonds or transfers thereof.

13 The City may remove the Securities Depository and the Securities Depository
14 may resign by giving sixty (60) days' written notice to the other of such removal or
15 resignation. Additionally, the Securities Depository shall be removed sixty (60) days after
16 receipt by the City of written notice from the Securities Depository to the effect that the
17 Securities Depository has received written notice from Participants having interests, as
18 shown in the records of the Securities Depository, in an aggregate principal amount of not
19 less than 50% of the aggregate principal amount of the then outstanding Series 2012
20 Bonds to the effect that the Securities Depository is unable or unwilling to discharge its
21 responsibilities or a continuation of the requirement that all of the outstanding Series 2012
22 Bonds be registered in the name of the Securities Depository or a nominee therefor is not
23 in the best interests of the Beneficial Owners. Upon the removal or resignation of the
24 Securities Depository, the Securities Depository shall take such action as may be
25 necessary to assure the orderly transfer of the computerized book-entry system with
26 respect to the Series 2012 Bonds to a successor securities depository or if no successor
27 securities depository is appointed as herein provided, the transfer of the Series 2012 Bonds
28 in certificate form to the Beneficial Owners or their designees. Upon the giving of notice by
29 the City of the removal of the Securities Depository, the giving of notice by the Securities
30 Depository of its resignation or the receipt by the City of notice with respect to the written
31 notice of Participants referred to herein, the City may, within sixty (60) days after the giving
32 of such notice, appoint a successor securities depository upon such terms and conditions
33 as the City shall impose. Any such successor securities depository shall at all times be a

1 registered clearing agency under the Securities and Exchange Act of 1934, as amended, or
2 other applicable statute or regulation, and in good standing thereunder. If the City fails to
3 appoint a successor securities depository within such time period, the Series 2012 Bonds
4 shall no longer be restricted to be registered in the name of the Securities Depository or a
5 nominee therefor, but may be registered in whatever name or names Owners transferring
6 or exchanging Series 2012 Bonds shall designate.

7 (6) Resignation or Removal of Agents. The Paying Agent, Registrar and
8 Transfer Agent may resign, be removed, and be replaced in accordance with the provisions
9 of the Paying Agent Agreement. Every such successor shall be an Insured Bank unless
10 the Treasurer decides to assume the responsibilities of Paying Agent, Registrar or Transfer
11 Agent. It shall not be required that the same institution serve as paying agent, registrar and
12 transfer agent hereunder, but the City shall have the right to have the same institution serve
13 in all or any such capacities.

14 (7) Lost or Stolen Bonds. If any Series 2012 Bond shall be lost, stolen,
15 destroyed or mutilated, the Transfer Agent shall, upon receipt of such evidence,
16 information, indemnity and reimbursement for expenses relating thereto as it and the City
17 may reasonably require, authenticate and deliver a replacement Series 2012 Bond or
18 Series 2012 Bonds of the same aggregate principal amount, interest rate and Maturity
19 Date, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed
20 or mutilated Series 2012 Bond shall have become due and payable or is about to become
21 due and payable, the Paying Agent may pay such Series 2012 Bond in lieu of replacement.

22 (8) Delivery and Cancellation of Bonds. The officers of the City are
23 authorized to deliver to the Registrar fully executed unauthenticated Series 2012 Bonds in
24 such quantities as may be convenient to be held in custody by the Registrar pending use
25 as herein provided.

26 Whenever any Series 2012 Bond shall be surrendered to the Paying Agent
27 upon payment thereof or to the Transfer Agent for the transfer, exchange or replacement
28 as provided herein, such Series 2012 Bond shall be promptly canceled by the Paying Agent
29 or Transfer Agent, which cancellation shall be reported to the Council and certified by the
30 Auditor to the Mayor pursuant to the Charter.

31 (9) Recitals. Each Series 2012 Bond shall recite in substance that the
32 Series 2012 Bond is a special and limited obligation of the City payable solely out of and

1 secured by an irrevocable (but not necessarily exclusive) pledge of the Net Pledged
2 Revenues, that the Series 2012 Bond does not constitute a debt or an indebtedness of the
3 City within the meaning of any constitutional, Charter or statutory provision or limitation,
4 that the Series 2012 Bond is not payable in whole or in part from the proceeds of general
5 property taxes or any other funds of the City except the Net Pledged Revenues, and that
6 the full faith and credit of the City is not pledged for the payment of the principal of or
7 interest on the Series 2012 Bond. Each Series 2012 Bond shall further recite in substance
8 that the Series 2012 Bond is issued by the City under the authority of the State
9 Constitution, the Charter, the City Code, the Enterprise Ordinance, the Act, the
10 Supplemental Act and this Ordinance.

11 (10) Form of Bonds. Subject to the provisions of this Ordinance and the
12 Sale Certificate, the Series 2012 Bonds shall be in substantially the following form, with
13 such omissions, insertions, endorsements and variations as may be required by the
14 circumstances and as shall be consistent with this Ordinance and the applicable Sale
15 Certificate.

16

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF COLORADO
CITY AND COUNTY OF DENVER, COLORADO,
FOR AND ON BEHALF OF THE WASTEWATER MANAGEMENT DIVISION
OF ITS DEPARTMENT OF PUBLIC WORKS
WASTEWATER ENTERPRISE REVENUE BOND
SERIES 2012

No. R-_____ \$ _____

INTEREST RATE MATURITY DATE ORIGINAL DATE CUSIP
_____ % November 1, _____ _____, 2012 _____

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM:

The City and County of Denver, Colorado, for and on behalf of the Wastewater Management Division of its Department of Public Works (the "City"), for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum (specified above), in lawful money of the United States of America, on the Maturity Date (specified above), with interest thereon from the Original Date (specified above), or the interest payment date to which interest

1 has been paid next preceding the date hereof, whichever is later, to the Maturity Date, except if
2 redeemed prior thereto, at the per annum Interest Rate (specified above), computed on the basis
3 of a 360-day year consisting of twelve (12) months of thirty (30) days each, payable semiannually
4 on the first day of May and the first day of November of each year, commencing on _____ 1,
5 2012, or the first such date after the date hereof, whichever is later, in the manner provided
6 herein. If upon presentation at maturity payment of the Principal Sum is not made as provided
7 herein, interest continues at the Interest Rate until the Principal Sum is paid in full.

8 This Series 2012 Bond is one of an authorized series of Series 2012 Bonds (the
9 “Series 2012 Bonds”) issued pursuant to an Ordinance adopted by the City Council of the City (the
10 “Ordinance”). This Series 2012 Bond bears interest, matures, is payable, and is transferable as
11 provided in the Ordinance and a Sale Certificate executed by either the Mayor or the Manager of
12 Finance, ex officio Treasurer of the City prior to the delivery of the Series 2012 Bonds. To the
13 extent not defined herein, terms used herein are used as defined in the Ordinance. Reference is
14 made to the Ordinance and to all ordinances supplemental thereto, with respect to the nature and
15 extent of the security for the Series 2012 Bonds, rights, duties and obligations of the City, the
16 rights of the Owners of the Series 2012 Bonds, the rights, duties and obligations of the Paying
17 Agent, Registrar and Transfer Agent, the circumstances under which any Series 2012 Bond is no
18 longer Outstanding, and to all the provisions of which the Owner hereof by the acceptance of this
19 Series 2012 Bond assents.

20 [Include Redemption Provisions from Sale Certificate]

21 Series 2012 Bonds that are redeemable prior to their respective maturity dates may
22 be redeemed in part if issued in denominations that are integral multiples of \$5,000. In such case
23 the Series 2012 Bond is to be surrendered in the manner provided for transfers of ownership.
24 Upon payment of the redemption price the Registered Owner is to receive a new Series 2012
25 Bond or Series 2012 Bonds of authorized denominations in aggregate principal amount equal to
26 the unredeemed portion of the Series 2012 Bond surrendered.

27 The principal of, interest on and any premium due in connection with the redemption
28 of this Series 2012 Bond are payable to the Registered Owner by Zions First National Bank, or
29 such successor as appointed under the Ordinance, as paying agent. So long as the Registered
30 Owner is a securities depository or a nominee therefor, the securities depository is to disburse any
31 payments received, through its participants or otherwise, to the beneficial owner or owners hereof.

1 Neither the City nor the Paying Agent has any responsibility or obligation for the
2 payment to any participant, any beneficial owner hereof or any other person (except the
3 Registered Owner) of the principal of and interest on this Series 2012 Bond.

4 Neither the City nor the Registrar has any responsibility or obligation with respect to
5 the accuracy of the records of the Securities Depository or a nominee therefor or any participant
6 with respect to any ownership interest in the Series 2012 Bonds or the delivery to any participant,
7 beneficial owner or any other person (except the Registered Owner) of any notice with respect to
8 the Series 2012 Bonds.

9 This Series 2012 Bond is transferable only as set forth in the Ordinance and only
10 upon the registration books of the City by Zions First National Bank, or such successor as
11 appointed under the Ordinance, as its Transfer Agent. The Transfer Agent is not required to
12 transfer ownership of this Series 2012 Bond during the fifteen (15) days prior to the first mailing of
13 any notice of redemption or to transfer ownership of any Series 2012 Bond selected for
14 redemption on or after the date of such mailing. The Registered Owner may also exchange this
15 Series 2012 Bond for another Series 2012 Bond or Series 2012 Bonds of authorized
16 denominations. The City may deem and treat the person in whose name this Series 2012 Bond is
17 last registered upon the books of the City as the absolute owner hereof for the purpose of
18 receiving payment of the principal of and interest on this Series 2012 Bond and for all other
19 purposes, and all such payments so made to such person or upon his, her or its order will be valid
20 and effective to satisfy and discharge the liability of the City upon this Series 2012 Bond to the
21 extent of the sum or sums so paid, and the City will not be affected by any notice to the contrary.

22 Neither the City nor the Transfer Agent has any responsibility or obligation with
23 respect to the accuracy of the records of the Securities Depository or its participants regarding any
24 ownership interest in the Series 2012 Bonds or transfers thereof.

25 The City may remove the Securities Depository and the Securities Depository may
26 resign in accordance with the provisions of the Ordinance.

27 Payment of the principal of, interest on and any premium due in connection with the
28 redemption of this Series 2012 Bond is to be made solely from, and as security for such payment
29 there are irrevocably (but not necessarily exclusively) pledged, pursuant to the Ordinance, the Net
30 Pledged Revenues, which consist of certain revenues derived from the operation and use of and
31 otherwise pertaining to the storm drainage facilities and the sanitary sewerage facilities of the City
32 after provision is made for the payment of all Operation and Maintenance Expenses. The City has

1 covenanted in the Ordinance to pay into a special fund identified as the Debt Service Fund, from
2 the Net Pledged Revenues, sums sufficient to pay when due the principal of and interest on the
3 Series 2012 Bonds, and to accumulate and maintain a specified reserve for such purposes in a
4 special account identified as the Reserve Account.

5 It is hereby recited, certified and warranted that for the payment of the principal of,
6 interest on and any premium due in connection with the redemption of this Series 2012 Bond, the
7 City has created and will maintain said special funds and will deposit the Net Pledged Revenues
8 therein, and out of said special funds, as an irrevocable charge thereon, the City will pay the
9 principal of, interest on and any premium due in connection with the redemption of this Series
10 2012 Bond in the manner provided by the Ordinance.

11 The Series 2012 Bonds are equitably and ratably secured by a lien on the Net
12 Pledged Revenues, and such Series 2012 Bonds constitute an irrevocable and first lien (but not
13 necessarily an exclusive first lien) upon the Net Pledged Revenues. Bonds and other types of
14 securities, in addition to the Series 2012 Bonds, subject to expressed conditions, may be issued
15 and made payable from the Net Pledged Revenues having a lien thereon subordinate and junior
16 to the lien of the Series 2012 Bonds or, subject to additional expressed conditions, having a lien
17 thereon on a parity with the lien of the Series 2012 Bonds in accordance with the provisions of the
18 Ordinance.

19 The City covenants and agrees with the Registered Owner that the City will keep
20 and will perform all of the covenants of this Series 2012 Bond and of the Ordinance and the Sale
21 Certificate.

22 This Series 2012 Bond is authorized and issued by the City, under the authority and
23 in full conformity with the Constitution of the State of Colorado, the home rule charter of the City
24 (the "Charter"), the City Code, the Enterprise Ordinance, a resolution of the Manager of Public
25 Works of the City, part 4 of article 35 of title 31, Colorado Revised Statutes, as amended (the
26 "Act"), part 2 of article 57 of title 11, Colorado Revised Statutes, as amended (the "Supplemental
27 Act"), and all other laws of the State of Colorado thereunto enabling and pursuant to the
28 Ordinance, for the purpose of (a) financing the acquisition, improvement and equipment of certain
29 storm drainage facilities and/or sanitary sewerage facilities for the City and (b) defraying the cost
30 of refunding in whole or in part the City and County of Denver, Colorado, for and on behalf of the
31 Wastewater Management Division of its Department of Public Works, Wastewater Revenue
32 Bonds, Series 2002, and paying certain costs of issuance related thereto. The Act provides that

1 the foregoing recital conclusively imparts full compliance with all of the provisions and limitations
2 of the Act, and that this Series 2012 Bond is incontestable for any cause whatsoever after its
3 delivery for value. Pursuant to Section 11-57-210 of the Supplemental Act, this recital shall be
4 conclusive evidence of the validity and the regularity of the issuance of the Bonds after their
5 delivery for value.

6 Reference is hereby made to the Ordinance, and to any and all modifications and
7 amendments thereof, for a description of the provisions, terms and conditions upon which the
8 Series 2012 Bonds of this issue are issued and secured, including, without limitation, the nature
9 and extent of the security for the Series 2012 Bonds, provisions with respect to the custody and
10 application of the proceeds of the Series 2012 Bonds, the collection and disposition of the
11 revenues and moneys charged with and pledged to the payment of the principal of, interest on
12 and any premium due in connection with the redemption of the Series 2012 Bonds, the terms and
13 conditions on which the Series 2012 Bonds are issued, a description of the special funds referred
14 to above and the nature and extent of the security and pledge afforded thereby for the payment of
15 the principal of, interest on and any premium due in connection with the redemption of the Series
16 2012 Bonds, and the manner of enforcement of said pledge, as well as the rights, duties,
17 immunities and obligations of the City and the members of its governing body and also the rights
18 and remedies of the registered owners of the Series 2012 Bonds.

19 To the extent and in the respects permitted by the Ordinance, the provisions of the
20 Ordinance, or any instrument amendatory thereof or supplemental thereto, may be modified or
21 amended by action of the City taken in the manner and subject to the conditions and exceptions
22 provided in the Ordinance. The pledge of revenues and other obligations of the City under the
23 Ordinance may be discharged at or prior to the maturity or prior redemption of the Series 2012
24 Bonds upon the making of provision for the payment of the Series 2012 Bonds on the terms and
25 conditions set forth in the Ordinance.

26 It is hereby recited, certified and warranted that all the requirements of law have
27 been fully complied with by the proper officers of the City in the issuance of this Series 2012 Bond;
28 that it is issued pursuant to and in strict conformity with the Constitution and all other laws of the
29 State of Colorado, including the City Charter and ordinances, and with the Ordinance; that this
30 Series 2012 Bond does not contravene any constitutional or statutory provision or limitation of the
31 State of Colorado, or any limitation of the City Charter; and that this Series 2012 Bond is issued
32 under the authority of the Ordinance.

1 This Series 2012 Bond is a special and limited obligation of the City payable solely
2 out of and secured by an irrevocable (but not necessarily exclusive) pledge of the Net Pledged
3 Revenues, as more specifically provided in the Ordinance. This Series 2012 Bond does not
4 constitute a debt or an indebtedness of the City within the meaning of any constitutional, charter or
5 statutory provision or limitation. This Series 2012 Bond is not payable in whole or in part from the
6 proceeds of general property taxes or any other funds of the City except the Net Pledged
7 Revenues, and the full faith and credit of the City is not pledged for the payment of the principal of
8 or interest on this Series 2012 Bond.

9 IN WITNESS WHEREOF, the City has caused this Series 2012 Bond to be executed
10 in its name with the facsimile or manual signature of its Mayor, to be sealed with the facsimile or
11 manual impression of its seal and to be attested with the facsimile or manual signature of its Clerk
12 and Recorder, ex officio Clerk.

13 CITY AND COUNTY OF DENVER, COLORADO, FOR
14 AND ON BEHALF OF THE WASTEWATER
15 MANAGEMENT DIVISION OF ITS DEPARTMENT OF
16 PUBLIC WORKS
17

18
19 (CITY)
20 (SEAL)

By: (Facsimile or Manual Signature)
Mayor

21
22
23 ATTEST:

24
25
26 (Facsimile or Manual Signature)
27 Clerk and Recorder, ex official Clerk
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CERTIFICATE OF AUTHENTICATION

This Series 2012 Bond is issued pursuant to the Ordinance herein described. Attached hereto are the complete texts of the opinions of co-bond counsel, Sherman & Howard L.L.C., Denver, Colorado, and GCR, LLP, Denver, Colorado, signed copies of which, dated the date of the first delivery of the Series 2012 Bonds herein described, are on file with the undersigned.

ZIONS FIRST NATIONAL BANK,
as registrar

By (Manual Signature)
Authorized Officer

Dated: _____, 2012

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ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entirety
- JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIF TRANS MIN ACT- _____ Custodian _____
(Cust) (Minor)

Under Uniform Transfers to Minors Act

(State)

Additional abbreviations may also be used though not on the above list.

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ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ this Bond and hereby irrevocably constitutes and appoints _____, or its successors, to transfer the same on the records kept for registration of this Bond, with full power of substitution in the premises.

Assignor's Signature: _____

Dated: _____

Signature Guaranteed by a Member of the Medallion Signature Program :

Name and address of transferee:

Social Security or other tax identification number of transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of this Bond in every particular, without alteration or enlargement or any change whatsoever.

[End of Form of Series 2012 Bond]

1 D. Series 2012 Bonds Equally Secured. The covenants and agreements herein
2 set forth to be performed by the City shall be for the equal benefit, protection and security of the
3 Owners of the Series 2012 Bonds, any Additional Parity Bonds and any other Parity Securities
4 then Outstanding, all of which, regardless of the purpose or purposes for which they were issued
5 or the time or times of their maturity, shall be of equal rank without preference, priority or
6 distinction of any of the Series 2012 Bonds, any Additional Parity Bonds and any other Parity
7 Securities then Outstanding over any other thereof, except as otherwise expressly provided in or
8 pursuant to this Ordinance.

9 E. Special Obligations; Pledge of Net Pledged Revenues. All of the Series 2012
10 Bonds, as to all Debt Service Requirements thereof, shall be payable solely out of the Net
11 Pledged Revenues. The Owners of the Series 2012 Bonds may not look to the general fund or
12 any other fund of the City for the payment of the Debt Service Requirements, except the special
13 funds pledged therefor. The Series 2012 Bonds shall not constitute a debt or indebtedness of the
14 City within the meaning of any constitutional, Charter or statutory provision or limitation, and the
15 Series 2012 Bonds shall not be considered or held to be general obligations of the City but shall
16 constitute special and limited obligations of the City. The Series 2012 Bonds are not payable in
17 whole or in part from the proceeds of general property taxes or any other fund of the City except
18 the Net Pledged Revenues, and the full faith and credit of the City is not pledged for payment of
19 the Series 2012 Bonds.

20 The Net Pledged Revenues are hereby pledged to secure the payment of the Debt
21 Service Requirements of the Series 2012 Bonds, and a lien thereon is hereby created to secure
22 the payment thereof, subject to the terms and provisions hereof. Moneys on deposit in the Debt
23 Service Fund, the Construction Fund and the Reserve Account are hereby pledged to secure the
24 payment of the Debt Service Requirements of the Series 2012 Bonds, and a lien thereon is
25 hereby created to secure the payment thereof, subject to the terms and provisions hereof. This
26 pledge shall be valid and binding from and after the date of the delivery of the Series 2012 Bonds.
27 The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the
28 Series 2012 Bonds as provided herein shall be governed by § 11-57-208 of the Supplemental Act
29 and this Ordinance. The revenues pledged for the payment of the Series 2012 Bonds, as
30 received by or otherwise credited to the City, shall immediately be subject to the lien of such
31 pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues
32 pledged for payment of the Series 2012 Bonds and the obligation to perform the contractual
33 provisions made herein shall have priority over any or all other obligations and liabilities of the City

1 except any Parity Securities hereafter authorized. The lien of such pledge shall be valid, binding,
2 and enforceable as against all persons or entities having claims of any kind in tort, contract, or
3 otherwise against the City (except as herein otherwise provided) irrespective of whether such
4 persons or entities have notice of such liens.

5 Moneys on deposit in the Escrow Account are not pledged to pay the Debt Service
6 Requirements on the Series 2012 Bonds or any Parity Securities, but shall be used solely in
7 accordance with the terms and provisions of the Escrow Agreement.

8 Section 4. Approval, Authorization and Amendments.

9 A. The Continuing Disclosure Undertaking, the Paying Agent Agreement, the
10 Escrow Agreement and the Bond Purchase Agreement are hereby approved in substantially the
11 form filed with the Clerk, provided that such documents may be completed, corrected or revised
12 as deemed necessary by the parties thereto in order to carry out the purposes of this Ordinance
13 and comply with the terms of the applicable Sale Certificate.

14 B. The Notice of Sale is hereby approved in substantially the form filed with the
15 Clerk, provided that such Notice of Sale may be completed, corrected or revised as deemed
16 necessary by the Treasurer or the City's Co-Bond Counsel in order to carry out the purposes of
17 this Ordinance. If any series of Series 2012 Bonds are to be sold by competitive sale, the
18 Treasurer is hereby authorized and directed to cause the Notice of Sale to be distributed to
19 prospective bidders on such Series 2012 Bonds.

20 C. The printing, distribution and use of the Preliminary Official Statement in
21 substantially the form on file with the Clerk is hereby approved, with such amendments, additions
22 and deletions as are in accordance with the facts and not inconsistent herewith. The Treasurer is
23 authorized to prepare or cause to be prepared, and the Mayor and the Treasurer are authorized
24 and directed to approve, on behalf of the City, and execute a final Official Statement for use in
25 connection with the offering and sale of the Series 2012 Bonds in substantially the form of the
26 Preliminary Official Statement, but with such amendments, additions and deletions as are in
27 accordance with the facts and not inconsistent herewith. The execution of a final Official
28 Statement by the Mayor and the Treasurer shall be conclusively deemed to evidence the approval
29 of the form and contents thereof by the City.

30 D. The Mayor, the Auditor of the City, the Clerk, the Manager of Finance, ex-
31 officio Treasurer, and other officers and employees of the City are hereby independently
32 authorized and directed to take all action necessary or appropriate to effect the provisions of this

1 Ordinance, including without limiting the generality of the foregoing, executing, attesting,
2 authenticating and delivering for and on behalf of the City the Series 2012 Bonds and such other
3 agreements, instruments, certificates and opinions as may be required to implement the
4 transactions contemplated hereby, or as may otherwise be reasonably required by Co-Bond
5 Counsel or the Underwriters, and the taking of such other action in cooperation with Co-Bond
6 Counsel or the Underwriters as they may reasonably request to qualify the Series 2012 Bonds for
7 offer and sale under the securities laws and regulations of such states and other jurisdictions of
8 the United States as the Underwriters may designate.

9 E. The execution of any document or instrument by the appropriate officers of
10 the City herein authorized shall be conclusive evidence of the approval by the City of such
11 document or instrument in accordance with the terms hereof.

12 Section 5. Disposition of Bond Proceeds and Income; Funds and Accounts
13 Adopted or Created by Ordinance; Security for Series 2012 Bonds.

14 The proceeds of the Series 2012 Bonds and the Income shall be deposited by the
15 City in the funds and accounts described in this Section 5, to be accounted for in the manner and
16 priority set forth in this Section 5. Neither the Underwriter nor any subsequent Owner of any
17 Series 2012 Bonds shall be in any manner responsible for the application or disposal by the City
18 or by any of its officers, agents and employees of the moneys derived from the sale of the Series
19 2012 Bonds or of any other moneys designated in this Section 5.

20 A. Escrow Account. To the extent that all or a portion of the net proceeds of the
21 Series 2012 Bonds are to be applied to effectuate the Refunding Project, as set forth in the Sale
22 Certificate, there shall be deposited to the special account hereby created with the Escrow Bank
23 and designated as the “Wastewater Revenue Bonds, Series 2002, Escrow Account” (the “Escrow
24 Account”), such net proceeds of the Series 2012 Bonds as set forth in the Sale Certificate that are
25 necessary (together with other moneys of the City legally available therefor) to pay the Refunded
26 Bond Requirements when due, as further set forth in the Escrow Agreement.

27 The Escrow Account shall be maintained in an amount at the time of the deposit
28 therein, and at all times subsequently, at least sufficient, together with the known minimum yield to
29 be derived from the investment of the deposits therein or any part thereof in Federal Securities, to
30 pay the Refunded Bond Requirements as the same become due. Moneys shall be withdrawn by
31 the Escrow Bank from the Escrow Account in sufficient amounts and at times to permit the
32 payment of the Refunded Bond Requirements. Any moneys remaining in the Escrow Account

1 after provision has been made for the redemption of the Refunded Bonds shall be transferred by
2 the Escrow Bank to the City, deposited to the Debt Service Fund and applied to the next payment
3 of interest coming due on the Series 2012 Bonds. If for any reason the amount in the Escrow
4 Account shall at any time be insufficient for the purposes hereinbefore set forth, the City shall
5 forthwith from the first moneys legally available therefore deposit therein such additional moneys
6 as shall be necessary to permit the payment in full of the Refunded Bond Requirements.

7 B. Construction Fund: To the extent that all or a portion of the net proceeds of
8 the Series 2012 Bonds are to be applied to finance the Costs of the 2012 Project, as set forth in
9 the Sale Certificate, there shall be deposited in the “Wastewater Enterprise Revenue Bonds,
10 Series 2012, Construction Fund” (the “Construction Fund”) hereby created and held by the City
11 such net proceeds of the Series 2012 Bonds as set forth in the Sale Certificate. Such net
12 proceeds so deposited in the Construction Fund shall be maintained, used and withdrawn only as
13 provided in this Section 5B.

14 The proceeds of the Series 2012 Bonds so deposited in the Construction Fund,
15 except as herein otherwise expressly provided, shall be used and paid out from time to time solely
16 for the purpose of paying the Cost of the 2012 Project. Any such proceeds remaining in the
17 Construction Fund after completion of the 2012 Project, excluding investment earnings that may
18 be required to be deposited in the Rebate Account or rebated to the federal government, shall be
19 deposited in the Debt Service Fund and used for the purposes of the Debt Service Fund or, at the
20 option of the City, may be used to the extent feasible to call and redeem Series 2012 Bonds in
21 advance of maturity.

22 The City shall use any proceeds of the Series 2012 Bonds deposited in the
23 Construction Fund, without further order, to pay the Debt Service Requirements of the Series
24 2012 Bonds as the same become due whenever and to the extent moneys in the Debt Service
25 Fund and the Reserve Account or moneys otherwise available therefor are insufficient for that
26 purpose, unless such proceeds shall be needed to defray obligations accrued and to accrue under
27 any contracts then existing and pertaining to the 2012 Project. Any moneys so used shall be
28 restored to the Construction Fund from the first Net Pledged Revenues thereafter received and
29 not needed to meet the requirements provided in Sections 5F and 5G hereof.

30 C. Costs of Issuance Fund. There shall be deposited into the Costs of Issuance
31 Fund hereby created with the Paying Agent and designated as the “Wastewater Enterprise
32 Revenue Bonds, Series 2012, Costs of Issuance Fund” (the “Costs of Issuance Fund”) the amount

1 set forth in the Sale Certificate, which shall be an amount determined by the Mayor or the
2 Treasurer, as the case may be, to be sufficient to pay, together with other funds of the City legally
3 available for said purpose, the costs of issuance for the applicable Series 2012 Bonds. Any
4 amounts on deposit in the Costs of Issuance Fund remaining after the payment of all the costs of
5 issuance of the applicable Series 2012 Bonds shall be remitted by the Paying Agent to the City
6 and may, at the option of the Treasurer, be transferred to the Construction Fund and spent on the
7 costs of the 2012 Project or used by the City for any lawful purposes thereof. If the Series 2012
8 Bonds are issued in more than one series, the Paying Agent may create one or more subaccounts
9 within the Costs of Issuance Fund. Nothing herein shall preclude payment of Costs of Issuance
10 from the Construction Fund, if necessary.

11 D. Wastewater Management Enterprise Fund. Except as otherwise provided
12 herein, the entire Income, upon receipt thereof from time to time by the City, shall be set aside and
13 credited immediately to the Wastewater Management Enterprise Fund heretofore created
14 pursuant to the Enterprise Ordinance.

15 The Wastewater Management Enterprise Fund shall be administered and the
16 moneys on deposit therein shall be deposited and applied in the following order of priority:

17 (1) First, to the Operation and Maintenance Fund to pay Operation and
18 Maintenance Expenses in the manner set forth in Section 5E hereof;

19 (2) Second, to the Debt Service Fund to pay the Debt Service
20 Requirements of the then Outstanding Series 2012 Bonds and any Additional Parity Bonds
21 secured by the Debt Service Fund in the manner set forth in Section 5F hereof, and, if any
22 separate debt service funds are established in connection with the issuance of Additional
23 Parity Bonds, there shall be credited or deposited, on a pari passu basis, any amounts
24 necessary to fund any such debt service funds in accordance with the ordinance or other
25 instruments authorizing such Additional Parity Bonds;

26 (3) Third, to the Reserve Account, in the manner set forth in Section 5G
27 hereof, and, if any separate reserve funds are established in connection with the issuance
28 of Additional Parity Bonds, there shall be credited or deposited, on a pari passu basis, any
29 amounts necessary to fund or replenish any such reserve funds in accordance with the
30 ordinances or other instruments authorizing such Additional Parity Bonds;

1 (4) Fourth, to the Construction Fund, in the manner set forth in Section 5B
2 hereof, to restore any amounts to the Construction Fund that have been applied to the
3 payment of the Debt Service Requirements of the Series 2012 Bonds;

4 (5) Fifth, to the payment of the Debt Service Requirements of Subordinate
5 Bonds or other Subordinate Securities in accordance with Section 5I hereof; and

6 (6) Sixth, to be used in accordance with Section 5J hereof.

7 E. Operation and Maintenance Fund. As a first charge on the Wastewater
8 Management Enterprise Fund, there shall be deposited from time to time in the Operation and
9 Maintenance Fund heretofore created within the Wastewater Management Enterprise Fund
10 moneys sufficient to pay the Operation and Maintenance Expenses of the Storm Drainage
11 Facilities and the Sanitary Sewerage Facilities as they become due and payable, and thereupon
12 the Operation and Maintenance Expenses shall be promptly paid.

13 F. Debt Service Fund. After the payments required by Section 5E have been
14 made in each month, the City shall transfer or credit to the "Wastewater Enterprise Revenue
15 Bonds, Debt Service Fund" (the "Debt Service Fund") hereby created with the City, from the Net
16 Pledged Revenues, the following amounts:

17 (1) Interest Payments. Monthly, commencing on the date set forth in the
18 Sale Certificate, concurrently on a pari passu basis with any payments required to be made to any
19 separate debt service funds for any Additional Parity Bonds hereafter issued, an amount in equal
20 monthly installments necessary, together with any other moneys from time to time available
21 therefor from whatever source, and monthly thereafter, commencing on each Interest Payment
22 Date, one-sixth of the amount necessary, together with any other moneys from time to time
23 available therefor and on deposit therein from whatever source, to pay the next maturing
24 installment of interest on the Series 2012 Bonds then Outstanding and any Additional Parity
25 Bonds secured by the Debt Service Fund.

26 (2) Principal Payments. Monthly, commencing on the date set forth in the
27 Sale Certificate, concurrently on a pari passu basis with any payments required to be made to any
28 separate debt service funds for any Additional Parity Bonds hereafter issued, an amount in equal
29 monthly installments necessary, together with any other moneys from time to time available
30 therefor from whatever source, to pay the next installment of principal of the Series 2012 Bonds,
31 and any Additional Parity Bonds secured by the Debt Service Fund, coming due at maturity or
32 upon mandatory redemption, and monthly thereafter, commencing on each principal payment

1 date, one-twelfth of the amount necessary, together with any other moneys from time to time
2 available therefor and on deposit therein from whatever source, to pay the next installment of
3 principal of the Series 2012 Bonds, and any Additional Parity Bonds secured by the Debt Service
4 Fund, coming due at maturity, or upon mandatory redemption.

5 Amounts on deposit in the Debt Service Fund shall be transferred by the City to the
6 Paying Agent as follows:

7 (a) Semiannually, on or before three (3) Business Days prior to
8 each Interest Payment Date, an amount which will be sufficient to pay the
9 installment of interest next due on the Series 2012 Bonds, and any Additional Parity
10 Bonds secured by the Debt Service Fund; and

11 (b) Annually, on or before three (3) Business prior to each Maturity
12 Date, an amount which will be sufficient to pay the installment of principal or
13 mandatory sinking fund payment next due on the Series 2012 Bonds, and any
14 Additional Parity Bonds secured by the Debt Service Fund.

15 At the time of the transfer of such moneys from the Debt Service Fund to the Paying
16 Agent as provided herein, the Paying Agent shall notify the City if the amounts so transferred or
17 deposited (together with any amounts available for such purpose theretofore transferred or on
18 deposit with the Paying Agent)) will not be sufficient to pay the installment of principal or interest,
19 or both, as the case may be, next due on the Series 2012 Bonds and any Additional Parity Bonds
20 secured by the Debt Service Fund. If such amounts are not sufficient to make such payments, the
21 Paying Agent shall notify the City of the amount of any deficiency and the additional amount of
22 moneys that are required to be transferred or deposited with the Paying Agent and applied to such
23 payment.

24 If two (2) Business Days prior to any required principal or interest payment date
25 moneys on deposit with the Paying Agent are less than the full amount stipulated above with
26 respect to the Series 2012 Bonds and any Additional Parity Bonds secured by the Reserve
27 Account, then the Paying Agent shall notify the City of any such insufficiency and the City shall
28 transfer an amount to the Paying Agent on such date from the Reserve Account, subject to
29 Section 5G hereof, equal to the difference between the amount previously deposited or
30 transferred to the Paying Agent and the full amount so stipulated.

31 The moneys credited to the Debt Service Fund, excluding investment earnings that
32 are required to be deposited in the Rebate Account or rebated to the federal government, shall be

1 used to pay the Debt Service Requirements of the then Outstanding Series 2012 Bonds and any
2 Additional Parity Bonds secured by the Debt Service Fund, as such Debt Service Requirements
3 become due, except as otherwise provided in this Ordinance, and are hereby pledged therefor.

4 Nothing herein shall be construed so as to prevent the City from creating separate
5 subaccounts within the Debt Service Fund for the Series 2012 Bonds, any Additional Parity Bonds
6 and any other Parity Securities and accounting separately for any deposits made thereto on
7 account of the Series 2012 Bonds, any Additional Parity Bonds and any other Parity Securities or
8 from creating separate debt service funds for Additional Parity Bonds or any other Parity
9 Securities, if such action is deemed by the City to be necessary or desirable, provided that any
10 such separate subaccounts shall have claims to the Net Pledged Revenues equal to and on a
11 parity with those of the other such subaccounts and any such separate debt service fund shall
12 have a claim to the Net Pledged Revenues equal to and on a parity with that of the Debt Service
13 Fund.

14 G. Reserve Account. There shall be deposited in the “Wastewater Enterprise
15 Revenue Bonds, Series 2012, Reserve Account” (the “Reserve Account”) hereby created and held
16 by the City, forthwith upon receipt of the proceeds of the Series 2012 Bonds, the Reserve
17 Requirement. Subject to the payments required by Section 5F hereof and except as provided in
18 Section 5H hereof, from the Net Pledged Revenues, there shall be deposited from time to time as
19 hereinafter provided in the Reserve Account moneys sufficient to accumulate in and maintain the
20 Reserve Account at an amount equal to the Reserve Requirement. In the event that the amount
21 of the Reserve Account falls below the Reserve Requirement, there shall be deposited in the
22 Reserve Account from the Net Pledged Revenues that sum of money needed to accumulate or
23 reaccumulate the amount therein so that at all times the amount of the Reserve Account equals
24 the Reserve Requirement. The moneys required to be deposited in the Reserve Account,
25 excluding investment earnings that may be required to be deposited in the Rebate Account or
26 rebated to the federal government, shall be set aside, accumulated and, if necessary,
27 reaccumulated from time to time and maintained as a continuing reserve to be used, except as
28 hereinafter provided in this Section 5G and Sections 5H and 9 hereof, only to prevent deficiencies
29 in payment of the Debt Service Requirements of the Series 2012 Bonds, and any Additional Parity
30 Bonds and any other Parity Securities then Outstanding that are secured by the Reserve Account,
31 resulting from failure to transfer or deposit with the Paying Agent sufficient funds to pay such Debt
32 Service Requirements as the same become due.

1 If at any time the City for any reason fails to transfer or deposit with the Paying
2 Agent from amounts on deposit in the Debt Service Fund the full amount required as described in
3 Section 5F above, then an amount shall be transferred to the Paying Agent at such time from the
4 Reserve Account equal to the difference between the amount so transferred or deposited and the
5 full amount so required. Notwithstanding the foregoing, or anything else to contrary contained
6 herein, if the Reserve Account only secures the payment of the Debt Service Requirements of the
7 Series 2012 Bonds, then the amount so transferred to the Paying Agent from the Reserve
8 Account shall be equal to the prorata amount necessary, together with moneys already on deposit
9 with the Paying Agent, to pay the Debt Service Requirements due on the Series 2012 Bonds. The
10 money so used shall be replaced to the Reserve Account from the first moneys credited to the
11 Wastewater Management Enterprise Fund thereafter received and not required to be otherwise
12 applied by Section 5F hereof.

13 If at any time there has not been deposited in the Reserve Account for any reason
14 the full amount stipulated herein from the Net Pledged Revenues, the difference between the
15 amount paid and the amount so stipulated shall in a like manner be paid therein from the first
16 moneys credited to the Wastewater Management Enterprise Fund thereafter received and not
17 required to be applied otherwise by Section 5F hereof.

18 The City shall have the right to substitute for the cash deposit required to be
19 maintained hereunder a letter of credit, surety bond, insurance policy, agreement guaranteeing
20 payment, or other undertaking by a financial institution to ensure that cash in the amount
21 otherwise required to be maintained hereunder will be available to the City as needed. Any such
22 credit instrument shall be deposited with the Paying Agent, who shall ascertain the necessity for a
23 claim against or draw upon the credit instrument and provide notice to the issuer of such credit
24 instrument in accordance with its terms not later than two (2) Business Days (or such longer
25 period as may be necessary, depending on the permitted time period for honoring claims or draws
26 thereunder) prior to each Interest Payment Date. If a letter of credit is substituted for the cash
27 deposit required to be maintained hereunder, the Paying Agent shall draw upon such letter of
28 credit prior to its expiration or termination unless an alternate credit instrument conforming with the
29 provisions hereof has been substituted therefor or the amount otherwise required to be maintained
30 hereunder is on deposit in the Reserve Account.

31 All cash and investments in the Reserve Account shall be transferred to the Paying
32 Agent for payment of the Debt Service Requirements of the Series 2012 Bonds, and any
33 Additional Parity Bonds and any other Parity Securities secured by the Reserve Account before

1 any drawing may be made on any credit facility credited to the Reserve Account in lieu of cash.
2 Payment of any Policy Costs relating to any such credit facility shall be made prior to
3 replenishment of any such cash amounts. Draws on all credit facilities deposited to the Reserve
4 Account shall be made on a pro rata basis (calculated by reference to the coverage then available
5 thereunder) after applying all available cash and investments in the Reserve Account. Payment of
6 Policy Costs and reimbursement of amounts with respect to other credit facilities shall be made on
7 a pro rata basis prior to replenishment of any cash drawn from the Reserve Account.

8 Nothing herein shall be construed to require the restoration or replenishment of the
9 Reserve Account to an amount greater than the Reserve Requirement. If at any time the amounts
10 on deposit in the Reserve Account are more than the Reserve Requirement, the City shall transfer
11 such excess amounts to the Debt Service Fund.

12 H. Termination of Deposits. No payment need be made into the Debt Service
13 Fund or the Reserve Account if the amount of cash and Permitted Investments in the Debt Service
14 Fund and the Reserve Account, plus the amount on deposit in any separate Reserve Account
15 established in connection with the issuance of Additional Parity Bonds, total a sum at least equal
16 to the entire amount of the Outstanding Series 2012 Bonds, any Outstanding Additional Parity
17 Bonds and any other Outstanding Parity Securities, as to all Debt Service Requirements, to their
18 respective Maturity Dates or to any Redemption Date or Redemption Dates on which the City shall
19 have exercised or shall have obligated itself to exercise its option to redeem, prior to their
20 respective Maturity Dates, any Series 2012 Bonds, any Additional Parity Bonds and any other
21 Parity Securities then Outstanding and thereafter maturing (provided that, solely for the purpose of
22 this Section 5H, there shall be deemed to be a credit to the Reserve Account any cash or
23 Permitted Investments accounted for in any other fund or account of the City and restricted solely
24 for the purpose of paying the Debt Service Requirements of the Series 2012 Bonds, any
25 Additional Parity Bonds or any other Parity Security), in which case cash or Permitted Investments
26 in the Debt Service Fund and the Reserve Account in an amount, except for any known interest or
27 other gain to accrue from any investment or deposit of moneys pursuant to Section 6B hereof from
28 the time of any such investment or deposit to the time or respective times the proceeds of any
29 such investment or deposit shall be needed for such payment, at least equal to such Debt Service
30 Requirements, shall be used together with any such gain from such investments and deposits
31 solely to pay such Debt Service Requirements as the same become due. Any moneys in excess
32 thereof in the Debt Service Fund and the Reserve Account and any other moneys derived from

1 the Income or otherwise pertaining to the Storm Drainage Facilities or the Sanitary Sewerage
2 Facilities may be used in any lawful manner permitted by this Ordinance.

3 I. Payment of Subordinate Securities. After there has been credited or
4 deposited to the Debt Service Fund in the current month the amount required pursuant to Section
5 5F hereof, after the accumulations to and replenishments of the Reserve Account then required to
6 be made by Section 5G in the current month have been made, and after the restoration of the
7 Construction Fund then required to be made by Section 5B in the current month have been made,
8 any Net Pledged Revenues remaining in the Wastewater Management Enterprise Fund in such
9 month may be used by the City for the payment of Debt Service Requirements of Subordinate
10 Securities payable from the Net Pledged Revenues including reasonable reserves for such
11 Subordinate Securities; but the lien of such subordinate Securities on the Net Pledged Revenues
12 and the pledge thereof for the payment of such Subordinate Securities shall be subordinate to the
13 lien and pledge of the Series 2012 Bonds, any Additional Parity Bonds and any other Parity
14 Securities as herein provided.

15 J. Use of Remaining Revenues. After there has been credited or transferred to
16 the Debt Service Fund in the current month the amount required pursuant to Section 5F hereof,
17 after the accumulations to and replenishments of the Reserve Account then required to be made
18 by Section 5G in the current month have been made, after the restoration of the Construction
19 Fund then required to be made by Section 5B in the current month have been made, and after
20 there has been deposited or transferred in the current month all amounts required to pay any
21 Subordinate Securities in such month in accordance with Section 5I hereof and the ordinance or
22 other document authorizing such Subordinate Securities, any remaining Net Pledged Revenues
23 on deposit in the Wastewater Management Enterprise Fund may be used for any combination of
24 lawful purposes pertaining to the Storm Drainage Facilities or the Sanitary Sewerage Facilities.

25 K. Budget and Appropriation of Sums. The sums required to make the
26 payments specified in this Section 5 are hereby appropriated for said purposes. The Treasurer is
27 hereby authorized and directed to pay or cause to be paid the interest on the Series 2012 Bonds
28 as the same becomes due and the principal of the Series 2012 Bonds at maturity or upon prior
29 redemption without further warrant or order. The moneys, proceeds of the Series 2012 Bonds and
30 interest earnings thereon, deposited in the funds and accounts referred to or created herein are
31 hereby appropriated for the purposes of this Section 5. No provisions of any constitution, Charter,
32 statute, ordinance, resolution, or other order or measure enacted after the issuance of the Series
33 2012 Bonds shall in any manner be construed as limiting or impairing the obligation of the City to

1 keep and perform the covenants contained in this Ordinance so long as any of the Series 2012
2 Bonds remain Outstanding and unpaid.

3 L. Rebate Account. The City shall transfer into a special account hereby
4 created and designated as the "Wastewater Enterprise Revenue Bonds, Series 2012, Rebate
5 Account" (the "Rebate Account") the estimated amounts of arbitrage rebate, if any, and penalties,
6 if any, due to the federal government under Sections 103 and 148 of the Tax Code and the
7 regulations thereunder relating to the Series 2012 Bonds. Transfer of said amounts shall be made
8 from any or all of the funds or accounts referred to herein, to the extent of funds available
9 therefore, but the required arbitrage rebate payments shall be made to the federal government
10 from any legally available funds if there are no proceeds of the Series 2012 Bonds or investment
11 earnings thereon deposited in the funds or accounts referred to herein available for such purpose.
12 The amounts so transferred shall be such that within sixty (60) days after each computation date
13 selected by the City in accordance with Section 148(f) of the Tax Code and the regulations
14 thereunder the amount in the Rebate Account is at least equal to the greater of (a) the amount
15 that the City estimates is rebatable on account of investment during the applicable period or (b)
16 such other amount as the City deems necessary or prudent to provide for payment of the amount
17 actually rebatable in accordance with Section 148(f) of the Tax Code and the regulations
18 thereunder.

19 The City shall compute the amount actually rebatable as of each installment
20 computation date and pay the United States Treasury 90% thereof within sixty (60) days and the
21 balance, together with interest and penalties, if any, as required by Section 148(f) of the Tax Code
22 and the regulations thereunder, within sixty (60) days after all the Series 2012 Bonds have been
23 discharged, provided that computations and payments may be made on other bases, at other
24 times and in other amounts, or omitted altogether, to the extent nationally recognized bond
25 counsel opines that such action will not adversely affect the tax treatment of interest on the Series
26 2012 Bonds.

27 The City shall hold the Rebate Account separate and apart from all other funds and
28 accounts of the City and shall maintain the Rebate Account until sixty (60) days after all the Series
29 2012 Bonds have been discharged. The City shall retain the records of the determinations of the
30 amounts required to be deposited in the Rebate Account, of the proceeds of any investments of
31 moneys in the Rebate Account and of the amounts paid to the United States Treasury until the
32 date six (6) years after the discharge of the last of the Series 2012 Bonds.

1 M. Refunding and Redemption of Refunded Bonds. The Council has elected
2 and does hereby declare its intent to exercise on behalf and in the name of the City its option to
3 redeem the Refunded Bonds on November 1, 2012, or on such different date as may be set forth
4 in the Sale Certificate, at a price equal to the principal amount of each Refunded Bond so
5 redeemed plus accrued interest thereon to the redemption date, without redemption premium.
6 The City is hereby irrevocably obligated to exercise its option to redeem the Refunded Bonds on
7 the redemption date set forth in the Sale Certificate. The City hereby authorizes and directs the
8 Escrow Bank to give, on behalf of the City, notice of the refunding of the Refunded Bonds in
9 accordance with the provisions set forth in the ordinance authorizing the 2002 Bonds.

10 Section 6. General Administration of Funds and Accounts.

11 A. Places and Times of Deposits. Each of the special funds or accounts created
12 or adopted in Section 5 hereof shall be kept separate and apart from all other funds or accounts of
13 the City solely for the purposes herein designated therefor. For purposes of investment of
14 moneys, nothing herein prevents the commingling of moneys accounted for in any two or more
15 such funds or accounts pertaining to the Income. Such funds or accounts shall be continuously
16 secured to the fullest extent required or permitted by the laws of the State for the securing of
17 public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than
18 the respective designated purposes of such funds or accounts. Each periodic payment shall be
19 credited to the proper fund or account not later than the date therefor herein designated, except
20 that when any such date is not a Business Day, then such payment shall be made on or before
21 the next preceding Business Day.

22 B. Investment of Funds. Any moneys in any fund or account described in
23 Section 5 hereof may be invested, reinvested or deposited only in Permitted Investments.
24 Permitted Investments shall either be subject to redemption at any time at face value by the
25 Owner thereof at the option of such Owner or shall mature at such time or times as shall most
26 nearly coincide with the expected need for moneys from the fund or account in question.
27 Permitted Investments so purchased as an investment of moneys in any such fund or account
28 shall be deemed at all times to be a part of the applicable fund or account; provided that (with the
29 exception of the Reserve Account and the Rebate Account) the interest accruing on such
30 investments and any profit realized therefrom shall be credited to the Wastewater Management
31 Enterprise Fund, and any loss resulting from such investments shall be charged to the particular
32 fund or account in question. Interest and profit realized from investments in the Reserve Account
33 shall be credited to the Reserve Account, provided that, so long as the amount in the Reserve

1 Account equals the Reserve Requirement, such interest and profit shall be transferred to the Debt
2 Service Fund and distributed in the same manner as other moneys in the Debt Service Fund. Any
3 loss resulting from such investments in the Reserve Account shall be charged to the Reserve
4 Account. Permitted Investments shall be valued by the Treasurer as frequently as deemed
5 necessary, but not less often than quarterly, at the market value thereof, exclusive of accrued
6 interest. If on any valuation date the market value of investments in the Reserve Account is less
7 than the Reserve Requirement due to market fluctuations, the deficiency shall be remedied no
8 later than the next quarterly valuation date. The City shall present for redemption or sale on the
9 prevailing market any securities or obligations so purchased as an investment of moneys in a
10 given fund whenever it shall be necessary to do so in order to provide moneys to meet any
11 required payment or transfer from such fund. The City shall not invest any moneys accounted for
12 hereunder if any such investment would contravene the covenant contained in Section 8R hereof.

13 C. No Liability for Losses Incurred in Performing Terms of Ordinance. Neither
14 the City nor any officer thereof shall be liable or responsible for any loss resulting from any
15 investment or reinvestment made in accordance with this Ordinance.

16 D. Character of Funds. The moneys in any fund or account herein described
17 shall consist of lawful money of the United States of America or Permitted Investments or both
18 such money and Permitted Investments. Moneys deposited in a demand or time deposit account
19 in an Insured Bank, appropriately secured according to the ordinances of the City, and to the
20 extent applicable, the laws of the State, shall be deemed lawful money of the United States of
21 America.

22 E. Accelerated Payments Optional. Nothing contained herein prevents the
23 accumulation in any fund or account herein designated of any monetary requirements at a faster
24 rate than the rate or minimum rate, as the case may be, provided therefor, but no payment shall
25 be so accelerated if such acceleration shall cause a default in the payment of any obligation of the
26 City pertaining to the Income.

27 Section 7. Priorities; Liens; Issuance of Additional Series 2012 Bonds.

28 A. First Lien on Net Pledged Revenues; Equality of Series 2012 Bonds. Except
29 as expressly provided in this Ordinance with respect to Additional Parity Bonds, other Parity
30 Securities and Subordinate Securities, the Net Pledged Revenues shall be and hereby are
31 irrevocably pledged to pay the Debt Service Requirements of the Series 2012 Bonds, subject to
32 the terms and provisions of this Ordinance.

1 The Series 2012 Bonds constitute an irrevocable and first lien (but not necessarily
2 an exclusive first lien) upon the Net Pledged Revenues.

3 The Series 2012 Bonds, any Additional Parity Bonds and any other Parity Securities
4 issued and from time to time Outstanding are equitably and ratably secured by a lien on the Net
5 Pledged Revenues and shall not be entitled to any priority one over the other in the application of
6 the Net Pledged Revenues regardless of the purpose or purposes for which they were issued or
7 the time or times of the issuance thereof, it being the intention of the City that there shall be no
8 priority among the Series 2012 Bonds, any Additional Parity Bonds and any other Parity
9 Securities, regardless of the fact that they may be actually issued and delivered at different times.

10 B. Issuance of Additional Parity Bonds. The City and/or the Enterprise may
11 issue Additional Parity Bonds that are payable from and that have a lien on all or a portion of the
12 Net Pledged Revenues that is on a parity with, but not prior or superior to, the lien thereon of the
13 Series 2012 Bonds, upon compliance with the following terms and conditions:

14 (1) Absence of Default. At the time of the issuance of the Additional Parity
15 Bonds, the City shall not be in default in making any payments required by Section 5
16 hereof.

17 (2) Historic Revenues Tests. Except as hereinafter provided in the case of
18 Additional Parity Bonds issued for the purpose of refunding less than all of the Series 2012
19 Bonds and other Parity Securities then Outstanding, the Net Pledged Revenues for the last
20 complete Fiscal Year prior to the issuance of the proposed Additional Parity Bonds, as
21 certified by an Independent Accountant, a Qualified Consultant or the Treasurer, must have
22 been equal to at least one hundred twenty-five percent (125%) of the Combined Average
23 Annual Debt Service Requirements of the Series 2012 Bonds then Outstanding, any
24 Additional Parity Bonds then Outstanding, and the Additional Parity Bonds proposed to be
25 issued plus one hundred percent (100%) of all Policy Costs and other similar amounts then
26 due and owing. If any increase in storm drainage or sanitary sewer rates, fees or charges is
27 made by the City during such Fiscal Year or prior to the issuance of such Additional Parity
28 Bonds, the Independent Accountant, Qualified Consultant or Treasurer may adjust the
29 calculation of the Net Pledged Revenues to reflect the amount thereof that would have
30 been received if such rate increase had been in effect throughout such Fiscal Year. In the
31 case of Additional Parity Bonds issued for the purpose of refunding less than all of the
32 Series 2012 Bonds and other Parity Securities then Outstanding, compliance with this

1 Section 7B(2) shall not be required so long as the Debt Service Requirements payable on
2 all Series 2012 Bonds and other Parity Securities Outstanding after the issuance of such
3 Additional Parity Bonds in each Bond Year does not exceed the Debt Service
4 Requirements payable on all Series 2012 Bonds and other Parity Securities Outstanding
5 prior to the issuance of such Additional Parity Bonds in each such Bond Year.

6 (3) Reserve Account. Additional Parity Bonds may be issued that have a
7 lien on all or a portion of the Net Pledged Revenues on a parity with the lien thereon of the
8 Series 2012 Bonds even if no reserve fund is established for such Additional Parity Bonds
9 or a reserve fund is established but with a different requirement as to the amount of
10 moneys (or the value of a reserve fund insurance policy with respect to such Additional
11 Parity Bonds) required to be on deposit therein or the manner in which such reserve fund is
12 funded or the period of time over which such reserve fund is funded. Provided, however,
13 that if the Reserve Account is to be pledged to the payment of the Debt Service
14 Requirements of such Additional Parity Bonds, the Reserve Account shall be fully funded in
15 accordance with Section 5G hereof, and the proceedings under which any such Additional
16 Parity Bonds are issued must provide for the deposit of moneys to the Reserve Account on
17 substantially the same terms as provided in Section 5G hereof and contain a covenant to
18 maintain the Reserve Account in an amount equal to the Reserve Requirement. The
19 proceedings under which any such Additional Parity Bonds are issued may also provide for
20 the deposit of moneys to a separate reserve account (other than the Reserve Account)
21 established and maintained for such Additional Parity Bonds on the terms and provisions
22 set forth in such proceedings. Any such separate reserve account shall have a claim to the
23 Net Pledged Revenues equal to and on a parity with that of the Reserve Account.

24 C. Certification of Revenues. Where certifications of revenues are required by
25 this Ordinance, the specified and required written certifications of an Independent Accountant, a
26 Qualified Consultant or the Treasurer that revenues are sufficient to pay the required amounts
27 shall be conclusively presumed to be accurate in determining the right to authorize issue, sell and
28 deliver Additional Parity Bonds or other Parity Securities.

29 D. Subordinate Securities Permitted. The City and the Enterprise may issue
30 Subordinate Securities for any lawful purpose upon compliance with Section 7F hereof.

31 E. Superior Securities Prohibited. Neither the City nor the Enterprise shall issue
32 any Superior Bonds or Superior Securities.

1 F. Supplemental Ordinances. Additional Parity Bonds or Subordinate Securities
2 shall be issued only after authorization thereof by ordinance, supplemental ordinance or other
3 instrument adopted or authorized by the Council, acting on behalf of the Enterprise, or adopted by
4 the Enterprise.

5 Section 8. Covenants.

6 The City hereby particularly covenants and agrees with the Owners of the Series
7 2012 Bonds from time to time, and makes provisions which shall be a part of its contract with
8 such Owners, which covenants and provisions shall be kept by the City continuously until all of the
9 Series 2012 Bonds have been fully paid or discharged:

10 A. Rate Maintenance. The City shall prescribe, revise and collect storm
11 drainage and sanitary sewer rates, fees and charges that shall produce Income sufficient, together
12 with any other moneys legally available therefor and credited to the Wastewater Management
13 Enterprise Fund, to make the payments and accumulations required by this Ordinance and that
14 shall produce Income sufficient, together with all other moneys legally available therefor and
15 credited to the Wastewater Management Enterprise Fund after payment of Operation and
16 Maintenance Expenses, to pay an amount at least equal to one hundred twenty-five percent
17 (125%) of the Combined Average Annual Debt Service Requirements for the Outstanding Series
18 2012 Bonds and every other issue of Outstanding Additional Parity Bonds or other Parity
19 Securities plus any amounts required to meet then existing deficiencies pertaining to any fund or
20 account relating to the Net Pledged Revenues or any securities payable therefrom plus one
21 hundred percent (100%) of all Policy Costs or other similar amounts then due and owing.

22 In the event that Net Pledged Revenues derived from the operation of the Storm
23 Drainage Facilities are insufficient to pay the Operation and Maintenance Expenses of the Storm
24 Drainage Facilities and the Debt Service Requirements of any Series 2012 Bonds, any Additional
25 Parity Bonds or any other Parity Securities issued to finance or refinance Storm Drainage
26 Facilities and Net Pledged Revenues derived from the Sanitary Sewerage Facilities are actually
27 expended for such Operation and Maintenance Expenses and such Debt Service Requirements,
28 the City shall prescribe, revise and collect storm drainage rates, fees and charges sufficient to
29 replenish to the Wastewater Management Enterprise Fund any Net Pledged Revenues derived
30 from the operation of the Sanitary Sewerage Facilities that were used for such Storm Drainage
31 Facilities purposes.

1 In the event that Net Pledged Revenues derived from the operation of the Sanitary
2 Sewerage Facilities are insufficient to pay the Operation and Maintenance Expenses of the
3 Sanitary Sewerage Facilities and the Debt Service Requirements of any Series 2012 Bonds, any
4 Additional Parity Bonds or any other Parity Securities issued to finance or refinance Sanitary
5 Sewerage Facilities and Net Pledged Revenues derived from the Storm Drainage Facilities are
6 actually expended for such Operation and Maintenance Expenses and such Debt Service
7 Requirements, the City shall prescribe, revise and collect sanitary sewer rates, fees and charges
8 sufficient to replenish to the Wastewater Management Enterprise Fund any Net Pledged
9 Revenues derived from the operation of the Storm Drainage Facilities that were used for such
10 Sanitary Sewerage Facilities purposes.

11 In the event that the storm drainage or sanitary sewer rates, fees and charges at any
12 time should not be sufficient to make all of the payments and accumulations required by this
13 Ordinance, the City shall increase its storm drainage and/or sanitary sewer rates, fees and
14 charges to such extent as to insure the payments and accumulations required by the provisions of
15 this Ordinance.

16 B. Collection of Charges. The City shall cause all storm drainage and sanitary
17 sewer rates, fees and charges to be billed promptly and collected as soon as reasonable, shall
18 prescribe and enforce rules and regulations or impose contractual obligations for the payment
19 thereof, to the end that the Net Pledged Revenues shall be adequate to meet the requirements of
20 this Ordinance and any other ordinance or instrument supplemental thereto. The storm drainage
21 and sanitary sewer rates, fees and charges shall be collected in any lawful manner.

22 C. Performance of Duties. The City, acting by and through its officers, or
23 otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect
24 to the Income, the Storm Drainage Facilities and the Sanitary Sewerage Facilities required by the
25 Constitution and laws of the State and the Charter, ordinances, resolutions and contracts of the
26 City, including without limitation the proper segregation of the proceeds of the Series 2012 Bonds
27 and the Income and their application from time to time to the respective funds and accounts
28 provided therefor.

29 D. Costs of Issuance and of Performance. Except as otherwise specifically
30 provided herein, all costs and expenses incurred in connection with the issuance of the Series
31 2012 Bonds, payment of the Debt Service Requirements of the Series 2012 Bonds, or the
32 performance of or compliance with any covenant or agreement contained in this Ordinance shall

1 be paid exclusively (but only from the appropriate special fund or account in the manner
2 authorized herein) from the proceeds of the Series 2012 Bonds, the Net Pledged Revenues, or
3 other legally available moneys of the Enterprise, and in no event shall any of such costs or
4 expenses be required to be paid out of or charged to the general fund of the City.

5 E. Contractual Obligations. The City shall perform all contractual obligations
6 undertaken by it under any agreements relating to the Series 2012 Bonds, the Income, the Storm
7 Drainage Facilities and the Sanitary Sewerage Facilities.

8 F. Further Assurances. At any and all times the City shall, so far as it may be
9 authorized by law, pass, make, do, execute, acknowledge, deliver, and file or record all and every
10 such further instruments, acts, deeds, conveyances, assignments, transfers, other documents,
11 and assurances as may be necessary or desirable for the better assuring, conveying, granting,
12 assigning and confirming all and singular the rights, the Net Pledged Revenues and other funds
13 hereby pledged or assigned, or intended so to be, or which the City may hereafter become bound
14 to pledge or assign, or as may be reasonable and required to carry out the purposes of this
15 Ordinance. The City, acting by and through its officers, or otherwise, shall at all times, to the
16 extent permitted by law, defend, preserve and protect the pledge of the Net Pledged Revenues
17 and other funds and accounts pledged hereunder and all the rights of every Owner of any of the
18 Series 2012 Bonds against all claims and demands of all Persons.

19 G. Conditions Precedent. Upon the date of issuance of any of the Series 2012
20 Bonds, all conditions, acts and things required by the Constitution or laws of the State, the
21 Charter, the City Code, the Enterprise Ordinance, the Act, the Supplemental Act and this
22 Ordinance to exist, to have happened, and to have been performed precedent to or in the
23 issuance of the Series 2012 Bonds shall exist, have happened and have been performed, and the
24 Series 2012 Bonds, together with all other obligations of the City, shall not contravene any debt or
25 other limitation prescribed by the Constitution or laws of the State, the Charter, the City Code, the
26 Enterprise Ordinance or the Act.

27 H. Efficient Operation and Maintenance. The City shall at all times operate the
28 Storm Drainage Facilities and the Sanitary Sewerage Facilities properly and in a sound and
29 economical manner. The City shall maintain, preserve and keep the Storm Drainage Facilities and
30 the Sanitary Sewerage Facilities properly or cause the same so to be maintained, preserved, and
31 kept, with the appurtenances and every part and parcel thereof in good repair, working order and
32 condition, and shall from time to time make or cause to be made all necessary and proper repairs,

1 replacements and renewals so that at all times the maintenance of the Storm Drainage Facilities
2 and the Sanitary Sewerage Facilities may be properly and advantageously conducted. All salaries,
3 fees, wages and other compensation paid by the City in connection with the repair, maintenance
4 and operation of the Storm Drainage Facilities and the Sanitary Sewerage Facilities shall be fair
5 and reasonable.

6 I. Records and Accounts. The City shall keep proper books of record and
7 account, separate and apart from all other records and accounts, showing complete and correct
8 entries of all transactions relating to the funds and accounts referred to herein.

9 J. Rules, Regulations and Other Details. The City, acting by and through its
10 officers, shall establish and enforce reasonable rules and regulations governing the construction,
11 operation, care, repair, maintenance, management, control, and use of the Storm Drainage
12 Facilities and the Sanitary Sewerage Facilities. The City shall observe and perform all of the terms
13 and conditions contained in this Ordinance and shall comply with all valid acts, rules, regulations,
14 orders and directives of any legislative, executive, administrative or judicial body applicable to the
15 Storm Drainage Facilities, the Sanitary Sewerage Facilities or the City.

16 K. Payment of Governmental Charges. The City shall pay or cause to be paid
17 all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or
18 assessed upon or in respect of the Storm Drainage Facilities or the Sanitary Sewerage Facilities,
19 or upon any part thereof, or upon any portion of the Income, when the same shall become due,
20 and shall duly observe and comply with all valid requirements of any municipal or governmental
21 authority relative to the Storm Drainage Facilities or the Sanitary Sewerage Facilities, or any part
22 thereof, except for any period during which the same are being contested in good faith by proper
23 legal proceedings. The City shall not create or suffer to be created any lien or charge upon the
24 Storm Drainage Facilities or the Sanitary Sewerage Facilities, or any part thereof, or upon the
25 Income, except the pledge and lien created by this Ordinance for the payment of the Debt Service
26 Requirements due in connection with the Series 2012 Bonds, and except as herein otherwise
27 permitted. The City shall pay or cause to be discharged or shall make adequate provision to
28 satisfy and to discharge, within ninety (90) days after the same shall become payable, all lawful
29 claims and demands for labor, materials, supplies or other objects that, if unpaid, might by law
30 become a lien upon the Storm Drainage Facilities or the Sanitary Sewerage Facilities, or any part
31 thereof, or the Income, but nothing herein requires the City to pay or to cause to be discharged or
32 to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is
33 contested in good faith and by appropriate legal proceedings.

1 L. Protection of Security. The City and its officers, agents and employees, shall
2 not take any action in such manner or to such extent as might prejudice the security for the
3 payment the Debt Service Requirements of the Series 2012 Bonds and any other securities
4 payable from the Net Pledged Revenues according to the terms thereof. No contract shall be
5 entered into nor any other action taken by which the rights of any Owner of any Series 2012
6 Bonds or other securities payable from Net Pledged Revenues might be prejudicially and
7 materially impaired or diminished.

8 M. Accumulation of Interest Claims. In order to prevent any accumulation of
9 claims for interest after maturity, the City shall not directly or indirectly extend or assent to the
10 extension of the time for the payment of any claim for interest on any of the Series 2012 Bonds or
11 any other securities payable from the Net Pledged Revenues, and the City shall not directly or
12 indirectly be a party to or approve any arrangements for any such extension or for the purpose of
13 keeping alive any of such claims for interest. If the time for the payment of any such installment of
14 interest is extended in contravention of the foregoing provisions, such installment or installments
15 of interest after such extension or arrangement shall not be entitled in case of default hereunder to
16 the benefit or the security of this Ordinance, except upon the prior payment in full of the principal
17 of all of the Series 2012 Bonds and any such securities the payment of which has not been
18 extended.

19 N. Prompt Payment of Series 2012 Bonds. The City shall promptly pay the Debt
20 Service Requirements of every Series 2012 Bond on the dates and in the manner specified herein
21 and in the Series 2012 Bonds according to the true intent and meaning hereof.

22 O. Use of Funds and Accounts. The funds and accounts described herein shall
23 be used solely and only, and the moneys credited to such funds are hereby pledged, for the
24 purposes described herein, subject to Section 9 hereof.

25 P. Additional Securities. Neither the City nor the Enterprise shall hereafter issue
26 any bonds or securities payable from the Net Pledged Revenues, other than the Series 2012
27 Bonds, without compliance with the requirements with respect to the issuance of Additional Parity
28 Bonds or other securities set forth herein to the extent applicable.

29 Q. Other Liens. There are no liens or encumbrances of any nature whatsoever
30 on or against the Storm Drainage Facilities or the Sanitary Sewerage Facilities, or any part
31 thereof, or on or against the Net Pledged Revenues, except as permitted hereby.

1 R. Tax Covenant. The City covenants for the benefit of the registered owners of
2 the Series 2012 Bonds that it will not take any action or omit to take any action with respect to the
3 Series 2012 Bonds, the proceeds thereof, any other funds of the City or any facilities financed or
4 refinanced with the proceeds of the Series 2012 Bonds if such action or omission (i) would cause
5 the interest on the Series 2012 Bonds to lose its exclusion from gross income for federal income
6 tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Series 2012
7 Bonds to lose its exclusion from alternative minimum taxable income as defined in
8 Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in
9 the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax
10 Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on
11 the Series 2012 Bonds to lose its exclusion from Colorado taxable income or Colorado alternative
12 minimum taxable income under present Colorado law. The foregoing covenant shall remain in full
13 force and effect notwithstanding the payment in full or defeasance of the Series 2012 Bonds until
14 the date on which all obligations of the City in fulfilling the above covenant under the Tax Code
15 and Colorado law have been met. The City is hereby authorized to execute a certificate in
16 implementation of the foregoing covenants, and the representations and agreements set forth
17 therein shall be deemed the representations and agreements of City, as if the same were set forth
18 herein.

19 S. Disposal of Facilities Prohibited. Subject to Section 8T hereof, except for the
20 disposal of Storm Drainage Facilities or Sanitary Sewerage Facilities in the normal course of
21 business, neither all nor a substantial part of the Storm Drainage Facilities or the Sanitary
22 Sewerage Facilities shall be sold, mortgaged, pledged, encumbered, alienated or otherwise
23 disposed of until all of the Series 2012 Bonds have been paid in full or provision has been made
24 therefor and the pledge of the Net Pledged Revenues has been terminated as herein authorized.
25 Subject to Section 8T hereof, the City shall not dispose of its title to the Storm Drainage Facilities
26 or the Sanitary Sewerage Facilities, or to any useful part thereof, including any property necessary
27 to the operation and use of the Storm Drainage Facilities or the Sanitary Sewerage Facilities or
28 the lands and interests in lands comprising the Storm Drainage Facilities or the Sanitary
29 Sewerage Facilities.

30 T. Disposal of Property. No part of the Storm Drainage Facilities or the Sanitary
31 Sewerage Facilities shall be sold, leased, mortgaged, pledged, encumbered or otherwise
32 disposed of or otherwise alienated until all of the Series 2012 Bonds have been paid in full or
33 provision has been made therefor; provided, however, that the City may sell, exchange or lease at

1 any time and from time to time any property or facilities constituting part of the Storm Drainage
2 Facilities or the Sanitary Sewerage Facilities and not needed in the operation thereof or not
3 required for the maintenance of the Income; but any proceeds of any such sale or exchange
4 received and not used to replace such property so sold or exchanged shall be deposited in the
5 Wastewater Management Enterprise Fund, and any proceeds of any such lease received shall be
6 deposited by the City as Income.

7 U. Loss from Condemnation. If any part of the Storm Drainage Facilities or the
8 Sanitary Sewerage Facilities is taken by the exercise of a power of eminent domain, the amount of
9 any award received by the City as a result of such taking shall be expended upon the
10 Improvement of the Storm Drainage Facilities or the Sanitary Sewerage Facilities, as the case
11 may be, or shall be applied to the redemption of the Outstanding Series 2012 Bonds, any
12 Outstanding Additional Parity Bonds and any other Outstanding Parity Securities in accordance
13 with the provisions hereof and of any other instrument pertaining to the issuance of any such
14 Parity Securities at maturity or prior thereto if the authorizing ordinances or resolutions authorize
15 the prior redemption of such securities, or shall be deposited in the Wastewater Management
16 Enterprise Fund and held as a reserve for expenditure subsequently upon such capital
17 improvements, or any combination thereof.

18 V. Inspection of Records. Any Owner of any of the Series 2012 Bonds or any
19 other securities payable from the Net Pledged Revenues, any duly authorized agent or agents of
20 such Owner and the Underwriter shall have the right at all reasonable times to inspect all records,
21 accounts and data concerning the Storm Drainage Facilities, the Sanitary Sewerage Facilities or
22 the Income, to make copies of such records, accounts and data at the expense of the Owner or
23 the Underwriter and to inspect the Storm Drainage Facilities, the Sanitary Sewerage Facilities and
24 properties comprising the same.

25 W. Audits Required. The City, annually following the close of each Fiscal Year,
26 shall order an audit for the Fiscal Year of the books and accounts pertaining to the Income to be
27 made forthwith by an Independent Accountant. All expenses incurred in the making of the audits
28 required by this subsection may be regarded and paid as an Operation and Maintenance
29 Expense.

30 X. Insurance and Reconstruction. Except to the extent that the City elects to
31 insure itself, the City shall at all times maintain with responsible insurers all such insurance
32 reasonably required and obtainable within limits and at costs deemed reasonable by the City as is

1 customarily maintained with respect to storm drainage facilities and sanitary sewerage facilities of
2 like character against loss of or damage to the Storm Drainage Facilities or the Sanitary Sewerage
3 Facilities and against public and other liability to the extent at least reasonably necessary to
4 protect the interest of the City and of each Owner of Series 2012 Bonds or any other security
5 payable from the Net Pledged Revenues, except as herein otherwise provided. If any useful part
6 of the Storm Drainage Facilities or the Sanitary Sewerage Facilities shall be damaged or
7 destroyed, the City shall, as expeditiously as possible, commence and diligently proceed with the
8 repair or replacement of the damaged or destroyed property so as to restore the same to use. The
9 proceeds of any insurance appertaining to the Storm Drainage Facilities or the Sanitary Sewerage
10 Facilities shall be payable to the City and (except for proceeds of use and occupancy insurance)
11 shall be applied to the necessary costs involved in such repair and replacement, and to the extent
12 not so applied shall (together with the proceeds of any such use and occupancy insurance) be
13 deposited in the Wastewater Management Enterprise Fund as Income. If the costs of such repair
14 and replacement of the damaged or destroyed property exceed the proceeds of such property
15 insurance available for payment of the same, moneys in the Wastewater Management Enterprise
16 Fund shall be used to the extent necessary for such purpose.

17 Y. Completion of 2012 Project; Estimated Life The City, using the proceeds
18 derived from the sale of the Series 2012 Bonds and any other legally available moneys, including
19 the proceeds derived from the issuance of Additional Parity Bonds and other Parity Securities,
20 shall cause the 2012 Project to be completed without delay to the best of its ability and with due
21 diligence, as herein provided. The Council hereby finds that the maturity of the Series 2012
22 Bonds does not exceed the estimated life of the Storm Drainage Facilities and Sanitary Sewerage
23 Facilities being financed or refinanced with the proceeds of the Series 2012 Bonds.

24 Z. Continuing Disclosure. The City shall comply with the provisions of the
25 Continuing Disclosure Undertaking. Any failure by the City to perform in accordance with this
26 provision shall not constitute an Event of Default under this Ordinance, and the rights and
27 remedies provided by this Ordinance upon the occurrence of an Event of Default shall not apply to
28 any such failure. The Paying Agent shall not have any power or duty to enforce this Section 8Z.
29 No Owner of a Series 2012 Bond shall be entitled to damages for the City's non-compliance with
30 its obligations under this Section 8Z; however, the Owners of the Series 2012 Bonds may enforce
31 specific performance of the obligations contained in this Section 8Z by any judicial proceeding
32 available.

33 Section 9. Defeasance.

1 When all Debt Service Requirements of the Series 2012 Bonds have been duly paid,
2 the pledge and lien and all obligations hereunder shall thereby be discharged and the Series 2012
3 Bonds shall no longer be deemed to be Outstanding within the meaning of this Ordinance. There
4 shall be deemed to be such due payment when the City has placed in escrow or in trust with an
5 Insured Bank, located within or without the State, moneys or Federal Securities, or both, in an
6 amount sufficient (including the known minimum yield available for such purpose from Federal
7 Securities in which such amount wholly or in part may be initially invested) to pay all Debt Service
8 Requirements of the Series 2012 Bonds as the same become due. The Federal Securities shall
9 become due prior to the respective times at which the proceeds thereof shall be needed, in
10 accordance with a schedule established and agreed upon between the City and such bank at the
11 time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption
12 at the option of the Owner thereof to assure such availability as so needed to meet such schedule.
13 Nothing herein shall be construed to prohibit a partial defeasance of the Outstanding Series 2012
14 Bonds in accordance with the provisions of this Section 9.

15 Section 10. Default Provisions and Remedies of Bond Owners.

16 A. Events of Default. Each of the following events is hereby declared to be and
17 to constitute an Event of Default by the City:

18 (1) Nonpayment of Principal. Payment of the principal of any of the Series
19 2012 Bonds is not made when the same becomes due and payable, either at maturity or by
20 proceedings for prior redemption, or otherwise;

21 (2) Nonpayment of Interest. Payment of any interest is not made when
22 the same becomes due and payable;

23 (3) Incapacity to Perform. The City for any reason becomes incapable of
24 fulfilling its obligations hereunder;

25 (4) Nonperformance of Duties. The City shall have failed to carry out and
26 to perform (or in good faith to begin the performance of) all acts and things lawfully required
27 to be carried out or to be performed by it under any contract relating to the Income or to the
28 Storm Drainage Facilities or the Sanitary Sewerage Facilities or otherwise, including,
29 without limitation, this Ordinance, and such failure shall continue for sixty (60) days after
30 receipt of notice from the Owners of twenty-five percent (25%) in aggregate principal
31 amount of the Series 2012 Bonds then Outstanding; provided that if such failure cannot be
32 cured within such sixty (60) days and if during that period corrective action has commenced

1 to remedy such failure and subsequently is diligently pursued by the City to the completion
2 of such performance, an Event of Default shall not be deemed to have occurred;

3 (5) Failure to Reconstruct. The City discontinues or unreasonably delays
4 or fails to carry out with reasonable dispatch the reconstruction of any essential part of the
5 Storm Drainage Facilities or the Sanitary Sewerage Facilities that is condemned, destroyed
6 or damaged and is not promptly repaired or replaced (whether such failure to repair the
7 same is due to impracticality of such repair or replacement, or is due to a lack of moneys
8 therefor, or for other reason);

9 (6) Appointment of Receiver. An order or decree is entered by a court of
10 competent jurisdiction, with the consent or acquiescence of the City, appointing a receiver
11 or receivers for the Storm Drainage Facilities or the Sanitary Sewerage Facilities or for the
12 Income and any other moneys subject to the lien to secure the payment of the Series 2012
13 Bonds, or both the Storm Drainage Facilities and the Sanitary Sewerage Facilities and such
14 moneys, or if any order or decree, having been entered without the consent or
15 acquiescence of the City, is not vacated or discharged or stayed on appeal within sixty (60)
16 days after entry;

17 (7) Default of Any Provision. The City makes any default in the due and
18 punctual performance of any other of the representations, covenants, conditions,
19 agreements and other provisions contained in the Series 2012 Bonds or in this Ordinance
20 on its part to be performed, and if such default continues for sixty (60) days after written
21 notice, specifying such default and requiring the same to be remedied, is given to the City
22 by the Owners of twenty-five percent (25%) in aggregate principal amount of the Series
23 2012 Bonds then Outstanding; provided that if such default cannot be cured within such
24 sixty (60) days and if during that period corrective action has commenced to remedy such
25 default and subsequently is diligently pursued to the completion of such performance, an
26 Event of Default shall not be deemed to have occurred.

27 B. Remedies for Defaults. Upon the happening and continuance of any of the
28 Events of Default, as provided in Section 10A hereof, then and in every case the Owner or
29 Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Series
30 2012 Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may
31 proceed against the City and its agents, officers and employees to protect and to enforce the
32 rights of any Owner of Series 2012 Bonds under this Ordinance by mandatory injunction or by

1 other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction,
2 either for the appointment of a receiver or an operating trustee or for the specific performance of
3 any covenant or agreement contained herein or for any proper legal or equitable remedy as such
4 Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or
5 thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner
6 of any Series 2012 Bond, or to require the City to act as if it were the trustee of an expressed
7 trust, or any combination of such remedies, or as otherwise may be authorized by any statute or
8 other provision of law. All such proceedings at law or in equity shall be instituted, had and
9 maintained for the equal benefit of all Owners of the Series 2012 Bonds, any Additional Parity
10 Bonds and any other Parity Securities then Outstanding. Any receiver or operating trustee
11 appointed in any proceedings to protect the rights of such Owners hereunder may collect, receive
12 and apply all Income arising after the appointment of such receiver or operating trustee in the
13 same manner as the City itself might do. The consent to any such appointment is hereby
14 expressly granted by the City. Notwithstanding the foregoing or any other applicable provision of
15 law, no Event of Default shall result in acceleration of any obligation of the City represented by the
16 Series 2012 Bonds.

17 C. Rights and Privileges Cumulative. The failure of any Owner of any
18 Outstanding Series 2012 Bond to proceed in any manner herein provided shall not relieve the City
19 or any of its officers, agents or employees of any liability for failure to perform to carry out any
20 duty, obligation or other commitment. Each right or privilege of any such Owner or trustee therefor
21 is in addition and is cumulative to any other right or privilege, and the exercise of any right or
22 privilege by or on behalf of any Owner shall not be deemed a waiver of any other right or privilege
23 thereof. Each Owner of any Series 2012 Bond shall be entitled to all of the privileges, rights and
24 remedies provided or permitted in this Ordinance and as otherwise provided or permitted by law or
25 in equity or by statute, except as provided in Sections 12A and 12B hereof, and subject to the
26 applicable provisions concerning the Income and the proceeds of the Series 2012 Bonds. Nothing
27 herein affects or impairs the right of any Owner of any Series 2012 Bond to enforce the payment
28 of the Debt Service Requirements due in connection with such Series 2012 Bond or the obligation
29 of the City to pay the Debt Service Requirements of each Series 2012 Bond to the Owner thereof
30 at the time and the place expressed in such Series 2012 Bond.

31 D. Duties Upon Default. Upon the happening of any of the Events of Default as
32 provided in Section 10A hereof, the City, in addition, will do and perform all proper acts on behalf
33 of and for the Owners of the Outstanding Series 2012 Bonds to protect and to preserve the

1 security created for the payment of their Series 2012 Bonds and to insure the payment of the Debt
2 Service Requirements of the Series 2012 Bonds promptly as the same become due. During any
3 period of default, so long as any of the Series 2012 Bonds, as to any Debt Service Requirements,
4 are Outstanding, except to the extent it may be unlawful to do so, all Net Pledged Revenues shall
5 be paid into the Debt Service Fund on an equitable and prorated basis, and used for the purposes
6 therein provided. If the City fails or refuses to proceed as in this Section 10D provided, the Owner
7 or Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Series
8 2012 Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the
9 rights of the Owners of the Series 2012 Bonds as hereinabove provided; and to that end any such
10 Owners of Outstanding Series 2012 Bonds shall be subrogated to all rights of the City under any
11 agreement or contract involving the Net Pledged Revenues entered into prior to the effective date
12 of this Ordinance or thereafter while any of the Series 2012 Bonds are Outstanding. Nothing
13 herein requires the City to proceed as provided herein if it determines in good faith and without
14 any abuse of its discretion that if it so proceeds it is more likely than not to incur a net loss rather
15 than a net gain or such action is likely to affect materially and prejudicially the Owners of the
16 Outstanding Series 2012 Bonds and any Outstanding Parity Securities.

17 E. Evidence of Security Owners. Any request, consent or other instrument
18 which this Ordinance may require or may permit to be signed and to be executed by the Owner of
19 any Series 2012 Bonds or other securities may be in one instrument or more than one instrument
20 of similar tenor and shall be signed or may be executed by each Owner in person or by his
21 attorney appointed in writing. Proof of the execution of any such instrument or of any instrument
22 appointing any such attorney, or the ownership by any Person of the securities, shall be sufficient
23 for any purpose of this Ordinance (except as otherwise herein expressly provided) if made in the
24 following manner:

25 (1) Proof of Execution. The fact and the date of the execution by any
26 Owner of any Series 2012 Bonds or other securities or his attorney of such instrument may
27 be proved by the certificate, which need not be acknowledged or verified, of any officer of a
28 bank or trust company satisfactory to the Clerk or of any notary public or other officer
29 authorized to take acknowledgments of deeds to be recorded in the state in which he
30 purports to act, that the individual signing such request or other instrument acknowledged
31 to him the execution, duly sworn to before such notary public or other officer; the authority
32 of the individual or individuals executing any such instrument on behalf of a corporate
33 Owner of any securities may be established without further proof if such instrument is

1 signed by an individual purporting to be the president or vice-president of such corporation
2 with the corporate seal affixed and attested by an individual purporting to be its secretary or
3 an assistant secretary; and the authority of any Person or Persons executing any such
4 instrument in any fiduciary or representative capacity may be established without further
5 proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary
6 or representative capacity; and

7 (2) Proof of Ownership. The amount of Series 2012 Bonds owned by any
8 Person executing any instrument as an Owner of Series 2012 Bonds, and the numbers,
9 date and other identification thereof, together with the date of his ownership of the Series
10 2012 Bonds, shall be determined from the registration books of the City. The amount of
11 other securities, if applicable, owned by any Person executing any instrument as an owner
12 of such securities, and the numbers, date and other identification thereof, together with the
13 date of his ownership, if in bearer form, may be proved by a certificate which need not be
14 acknowledged or verified, in form satisfactory to the Clerk, executed by a member of a
15 financial firm or by an officer of a bank or trust company, insurance company or financial
16 corporation or other depository satisfactory to the Clerk, or by any notary public or other
17 officer authorized to take acknowledgments of deeds to be recorded in the state in which
18 he purports to act, showing at the date therein mentioned that such Person exhibited to
19 such member, officer, notary public or other officer so authorized to take acknowledgments
20 of deeds or had on deposit with such depository the securities described in such certificate
21 or, if in registered form shall be determined from the related registration books; but the
22 Clerk may nevertheless in his or her discretion require further or other proof in cases where
23 he or she deems the same advisable.

24 F. Warranty Upon Issuance of Series 2012 Bonds. Any of the Series 2012
25 Bonds as herein provided, when duly executed and registered for the purposes provided for in this
26 Ordinance, shall constitute a warranty by and on behalf of the City for the benefit of each and
27 every future Owner of any of the Series 2012 Bonds that the Series 2012 Bonds have been issued
28 for a valuable consideration in full conformity with law.

29 Section 11. Amendment of Ordinance.

30 A. Amendment of Ordinance Not Requiring Consent of Bond Owners. The City
31 may, without the consent of, or notice to, the Owners of the Series 2012 Bonds, adopt such

1 ordinances supplemental hereto (which amendments shall thereafter form a part hereof) for any
2 one or more or all of the following purposes:

3 (1) To cure or correct any formal defect, ambiguity or inconsistent
4 provision contained in this Ordinance;

5 (2) To appoint successors to the Paying Agent, Registrar, Transfer Agent
6 or Securities Depository;

7 (3) To designate a trustee for the Owners of the Series 2012 Bonds, to
8 transfer custody and control of the Income to such trustee, and to provide for the rights and
9 obligations of such trustee;

10 (4) To add to the covenants and agreements of the City or the limitations
11 and restrictions on the City set forth herein;

12 (5) To pledge additional revenues, properties or collateral to the payment
13 of the Series 2012 Bonds;

14 (6) To cause this Ordinance to comply with the Trust Indenture Act of
15 1939, as amended from time to time; or

16 (7) To effect any such other changes hereto which do not in the opinion of
17 nationally recognized bond counsel materially adversely affect the interests of the Owners
18 of the Series 2012 Bonds.

19 B. Amendment of Ordinance Requiring Consent of Bond Owners. Exclusive of
20 the amendatory ordinances covered by Section 11A hereof, this Ordinance may be amended or
21 modified by ordinances or other instruments duly adopted by the City, without receipt by it or any
22 additional consideration, but with the written consent of the Owners of sixty-six percent (66%) in
23 aggregate principal amount of the Series 2012 Bonds then Outstanding at the time of the adoption
24 of such amendatory ordinance, provided, however, that without the consent of the Owner of every
25 Series 2012 Bond adversely affected thereby no such amendatory ordinance shall permit:

26 (1) Changing Payment. A change in the maturity or in the terms of
27 redemption of the principal of any Outstanding Series 2012 Bond or any interest thereon; or

28 (2) Reducing Return. A reduction in the principal amount of any Series
29 2012 Bond or the rate of interest thereon without the consent of the Owner of the Series
30 2012 Bond; or

1 (3) Prior Lien. The creation of a lien upon or a pledge of revenues ranking
2 prior to the lien or to the pledge created by this Ordinance; or

3 (4) Modifying Amendment Terms. A reduction of the principal amount or
4 percentages of Series 2012 Bonds, or any modification otherwise affecting the description
5 of Series 2012 Bonds, otherwise changing the consent of the Owners of Series 2012
6 Bonds, which may be required herein for any amendment hereto; or

7 (5) Priorities Between Series 2012 Bonds. The establishment of priorities
8 as between Series 2012 Bonds issued and Outstanding under the provisions of this
9 Ordinance; or

10 (6) Partial Modification. Any modifications otherwise materially and
11 prejudicially affecting the rights or privileges of the Owners of less than all of the Series
12 2012 Bonds then Outstanding.

13 Whenever the City proposes to amend or modify this Ordinance under the
14 provisions of this Section 11B it shall give notice of the proposed amendment by mailing
15 such notice to all Owners of Series 2012 Bonds at the addresses appearing on the
16 registration books of the City. Such notice shall briefly set forth the nature of the proposed
17 amendment and shall state that a copy of the proposed amendatory ordinance or other
18 instrument is on file in the office of the Clerk for public inspection.

19 C. Time for and Consent to Amendment. Whenever at any time within one (1)
20 year from the date of the completion of the notice required to be given by Section 11B hereof
21 there shall be filed in the office of the Clerk an instrument or instruments executed by the Owners
22 of at least sixty-six percent (66%) in aggregate principal amount of the Series 2012 Bonds then
23 Outstanding, which instrument or instruments shall refer to the proposed amendatory ordinance or
24 other instrument described in such notice and shall specifically consent to and approve the
25 adoption of such ordinance or other instrument, thereupon, but not otherwise, the Council may
26 adopt such amendatory ordinance or instrument and such ordinance or instrument shall become
27 effective. If the Owners of at least sixty-six percent (66%) in aggregate principal amount of the
28 Series 2012 Bonds then Outstanding, at the time of the adoption of such amendatory ordinance or
29 instrument, or the predecessors in title of such Owners, shall have consented to and approved the
30 adoption thereof as herein provided, no Owner of any Series 2012 Bond whether or not such
31 Owner shall have consented to or shall have revoked any consent as herein provided shall have
32 any right or interest to object to the adoption of such amendatory ordinance or other instrument or

1 to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin
2 or restrain the City from taking any action pursuant to the provisions thereof. Any consent given by
3 the Owner of a Series 2012 Bond pursuant to the provisions thereof shall be irrevocable for a
4 period of six (6) months from the date of the completion of the notice above provided for and shall
5 be conclusive and binding upon all future Owners of the same Series 2012 Bond during such
6 period. Such consent may be revoked at any time after six months from the completion of such
7 notice, by the Owner who gave such consent or by a successor in title, by filing notice of such
8 revocation with the Clerk, but such revocation shall not be effective if the Owners of sixty-six
9 percent (66%) in aggregate principal amount of the Series 2012 Bonds outstanding as herein
10 provided, prior to the attempted revocation, shall have consented to and approved the amendatory
11 instrument referred to in such revocation.

12 D. Unanimous Consent. Notwithstanding anything in the foregoing provisions
13 contained, the terms and the provisions of this Ordinance, or of any ordinance or instrument
14 amendatory thereof, and the rights and the obligations of the City and of the Owners of the Series
15 2012 Bonds may be modified or amended in any respect upon the adoption by the City and upon
16 the filing with the Clerk of an instrument to that effect and with the consent of the Owners of all the
17 then Outstanding Series 2012 Bonds, such consent to be given in the manner provided in Section
18 11C hereof; and no notice to Owners of Series 2012 Bonds shall be required as provided in
19 Section 11B hereof, nor shall the time of consent be limited except as may be provided in such
20 consent.

21 E. Exclusion of Series 2012 Bonds. At the time of any consent or of other action
22 taken hereunder the City shall furnish to the Clerk a certificate, upon which the Clerk may rely,
23 describing all Series 2012 Bonds to be excluded for the purpose of consent or of other action or
24 any calculation of Outstanding Series 2012 Bonds provided for hereunder, and, with respect to
25 such excluded Series 2012 Bonds, the City shall not be entitled or required with respect to such
26 Series 2012 Bonds to give or obtain any consent or to take any other action provided for
27 hereunder.

28 F. Notation on Series 2012 Bonds. Any of the Series 2012 Bonds delivered
29 after the effective date of any action taken as provided in Section 11B, or Series 2012 Bonds
30 Outstanding at the effective date of such action, may bear a notation thereon by endorsement or
31 otherwise in form approved by the Council as to such action; and if any such Series 2012 Bonds
32 so executed and delivered after such date does not bear such notation, then upon demand of the
33 Owner of any Bond Outstanding at such effective date and upon presentation of his Bond for such

1 purpose at the office of the Transfer Agent, suitable notation shall be made on such Bond by the
2 Transfer Agent as to any such action. If the Transfer Agent so determines, new Series 2012
3 Bonds so modified as in the opinion of the Transfer Agent to conform to such action shall be
4 prepared, executed and delivered; and upon demand of the Owner of any Bond then Outstanding,
5 shall be exchanged without cost to such Owner for Series 2012 Bonds then Outstanding upon
6 surrender of such Outstanding Series 2012 Bonds.

7 G. Proof of Instruments and Series 2012 Bonds. The fact and date of execution
8 of any instrument under the provisions of this Section 11, the amount and number of the Series
9 2012 Bonds owned by any Person executing such instrument, and the date of his registering the
10 same may be proved as provided by Section 10E hereof.

11 Section 12. Miscellaneous.

12 A. Character of Agreement. None of the covenants, agreements,
13 representations, or warranties contained herein or in the Series 2012 Bonds shall ever impose or
14 shall be construed as imposing any liability, obligation, or charge against the City (except for the
15 special funds pledged therefor) or against the general credit of the City payable out of general
16 funds or out of any funds derived from general property taxes.

17 B. No Pledge of Property. The payment of the Series 2012 Bonds is not
18 secured by an encumbrance, mortgage or other pledge of property of the City except for the Net
19 Pledged Revenues. No property of the City or the Enterprise, except the Net Pledged Revenues,
20 is pledged for the payment of the Series 2012 Bonds or shall be liable to be forfeited to taken in
21 payment of the Series 2012 Bonds.

22 C. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental
23 Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the
24 City in connection with the authorization or issuance of the Series 2012 Bonds, including but not
25 limited to the adoption of this Ordinance, shall be commenced more than thirty days after the
26 authorization of the Series 2012 Bonds.

27 D. Delegation of Duties. The officers and employees of the City are hereby
28 authorized and directed to take all action necessary or appropriate to the provisions hereof,
29 including without limitation:

- 30 (1) The preparation, execution and delivery of the Series 2012 Bonds
31 upon receipt of the applicable purchase price thereof;

1 (2) The execution and delivery of the Sale Certificate, the Paying Agent
2 Agreement, the Continuing Disclosure Undertaking, the Escrow Agreement, the Bond
3 Purchase Agreement for any Series 2012 Bonds sold pursuant to negotiated sale, and
4 such certificates as may be reasonably required by the City's Co-Bond Counsel or
5 Underwriters, relating, among other matters, to:

6 (a) The signing of the Series 2012 Bonds;

7 (b) The tenure and identity of the officials of the City;

8 (c) The exclusion from gross income of interest on the Series 2012
9 Bonds for federal and State income tax purposes;

10 (d) The delivery of the Series 2012 Bonds and the receipt of the
11 purchase price; and

12 (e) If in accordance with fact, stating the absence of pending
13 litigation affecting the validity thereof.

14 (3) The assembly and dissemination of financial and other information
15 concerning the City and the Series 2012 Bonds in connection with the sale and the
16 marketing of the Series 2012 Bonds, including the Notice of Sale for any Series 2012
17 Bonds sold by competitive sale, the Preliminary Official and the Official Statement; and

18 (4) The sale and issuance of the Series 2012 Bonds in accordance with
19 the provisions of the Sale Certificate, the Notice of Sale (if applicable), the Bond Purchase
20 Agreement (if any) and this Ordinance.

21 E. Successors. All of the covenants, stipulations, obligations, and agreements
22 by or on behalf of and other provisions for the benefit of the City or the Enterprise contained
23 herein shall bind and inure to the benefit of any successors of the City and shall bind and inure to
24 the benefit of any officer, board, district, commission, authority, agent, or instrumentality to whom
25 or to which there shall be transferred by or in accordance with law any right, power, or duty of the
26 City or the Enterprise or their respective successors, if any, the possession of which is necessary
27 or appropriate in order to comply with any such covenants, stipulations, obligations, agreements
28 or other provisions hereof.

29 F. Rights and Immunities. Except as herein otherwise expressly provided,
30 nothing herein expressed or implied is intended or shall be construed to confer upon or to give to
31 any Person, other than the City and the Owners from time to time of the Series 2012 Bonds, any

1 right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof.
2 All the covenants, stipulations, promises and agreements herein contained by and on behalf of the
3 City shall be for the sole and exclusive benefit of the City and any Owner of any of the Series
4 2012 Bonds.

5 G. No Recourse Against Officers or Agents. Pursuant to § 11-57-209 of the
6 Supplemental Act, if a member of the Council, or any officer or agent of the City acts in good faith,
7 no civil recourse shall be available against such Council member, officer, or agent for payment of
8 the principal or interest on the Series 2012 Bonds. Such recourse shall not be available either
9 directly or indirectly through the Council or the City, or otherwise, whether by virtue of any
10 constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the
11 Series 2012 Bonds and as a part of the consideration of their sale or purchase, any person
12 purchasing or selling such Series 2012 Bonds specifically waives any such recourse.

13 H. Ordinance Irrepealable. This Ordinance is, and shall constitute, a legislative
14 measure of the City and after any of the Series 2012 Bonds are issued, this Ordinance shall
15 constitute an irrevocable contract between the City and the Owner or Owners of the Series 2012
16 Bonds, and this Ordinance, subject to the provisions of Sections 9 and 11 hereof, if any Series
17 2012 Bonds are in fact issued, shall be and shall remain irrepealable until the Series 2012 Bonds,
18 as to all Debt Service Requirements, shall be fully paid or discharged.

19 I. Statutory Limitations Met. The Council hereby determines that the provisions
20 and limitations of any applicable law imposed on the issuance of the Series 2012 Bonds have
21 been met.

22 J. Severability. If any provision of this Ordinance shall be held invalid or
23 unenforceable, such holding shall not affect any other provisions hereof.

24 K. Effective Date. This Ordinance shall become effective immediately upon its
25 final passage and publication, as provided by the Charter.

26 L. Publication. The bill for this Ordinance is hereby authorized and directed to
27 be published as provided in the Charter.

28 M. Recordation and Authentication. This Ordinance shall be recorded after its
29 passage in a Book of Ordinances of the City, kept for that purpose, and authenticated by the
30 signature of the Mayor and attested and countersigned by the Clerk.

31

1 COMMITTEE APPROVAL DATE: November 16, 2011
2 MAYOR-COUNCIL DATE: November 22, 2011
3 PASSED BY THE COUNCIL _____ 2011
4 _____ - PRESIDENT
5 APPROVED: _____ - MAYOR _____ 2011
6 ATTEST: _____ - CLERK AND RECORDER,
7 EX-OFFICIO CLERK OF THE
8 CITY AND COUNTY OF DENVER
9 NOTICE PUBLISHED IN THE DAILY JOURNAL _____ 2011; _____ 2011
10 PREPARED BY: SHERMAN & HOWARD L.L.C. AND GCR, LLP - _____
11 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of
12 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
13 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to
14 §3.2.6 of the Charter.
15 Douglas J. Friednash City Attorney
16 BY: _____, _____ City Attorney - _____ 2011