

RESOLUTION

MANAGER OF THE DEPARTMENT OF PUBLIC WORKS
CITY AND COUNTY OF DENVER, COLORADO

WHEREAS, the City and County of Denver, in the State of Colorado (the "City" and the "State," respectively), 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

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

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 Section 20, Article X of the State Constitution; and

WHEREAS, the Enterprise Ordinance provides that (i) the governing body of the Enterprise shall be the Manager of the Department of Public Works (the "Manager"), (ii) the Enterprise shall be owned by the City, and (iii) the Enterprise is authorized to issue its own bonds or other financial obligations in the name of the City payable solely from revenues derived or to be derived from the functions, services, benefits or facilities of the Enterprise or from any other available funds of the Enterprise, as authorized by ordinance after approval and authorization by the Enterprise; and

WHEREAS, the Enterprise Ordinance further provides that the terms, conditions and details of any such bonds or other financial obligations, the procedures related thereto and the refunding thereof shall be set forth in the ordinance authorizing said bonds or other financial obligations; and

WHEREAS, the Enterprise desires that the City, for and on behalf of the Enterprise, issue its Wastewater Enterprise Revenue Bonds, Series 2012 (the "Series 2012 Bonds"), in one or more series, in the total aggregate principal amount not to exceed \$60,000,000 in order to refund all or a portion of the outstanding City and County of Denver, Colorado, for and on behalf of the Management Division of its Department of Public Works, Wastewater Revenue Bonds, Series 2002 (the "2002 Bonds") and to finance certain improvements to the storm drainage and sanitary sewerage facilities of the City (collectively, the "Project"); and

WHEREAS, this Resolution (this "Resolution") constitutes the request by the Enterprise that the Council adopt an ordinance (the "Bond Ordinance") authorizing the issuance of the Series 2012 Bonds and the approval and authorization by the Enterprise of the Series 2012 Bonds.

11-982-F

NOW, THEREFORE, BE IT RESOLVED BY THE MANAGER OF THE DEPARTMENT OF PUBLIC WORKS OF THE CITY AND COUNTY OF DENVER:

Section 1. Authorization and Approval of the Series 2012 Bonds. The Manager hereby determines that it is in the best interest of the citizens of the City and customers of the Enterprise to refund, pay and discharge all or a portion of the outstanding 2002 Bonds, to acquire, improve and equip the storm drainage and sanitary sewerage facilities of the City, and to finance the costs thereof by the issuance of one or more series of Series 2012 Bonds. The Manager hereby approves and authorizes the issuance of the Series 2012 Bonds to finance the Project, and hereby requests the City to issue the Series 2012 Bonds for and on behalf of the Enterprise. The Series 2012 Bonds shall be payable solely out of revenues derived or to be derived from the functions, services, benefits, or facilities of the Enterprise or from any other available funds of the Enterprise.

Section 2. The Series 2012 Bonds. The Series 2012 Bonds shall be issued in one or more series, in such form and with such terms, conditions, redemption features and other details and under such procedures as are set forth in the Bond Ordinance and in a sale certificate (a "Sale Certificate") executed by either the Mayor or the Manager of Finance, ex officio Treasurer of the City (the "Treasurer") in accordance with the provisions of the Bond Ordinance, the Charter and Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended (the "Supplemental Act"). The Mayor and the Treasurer shall each be independently authorized, without further approval of the Manager, to make the determinations with respect to the Series 2012 Bonds that may be delegated to such officials pursuant to the Charter and Section 11-57-205(1) of the Supplemental Act, subject to the terms and limitations set forth in the Bond Ordinance.

Section 3. Sale of Series 2012 Bonds. The Bond Ordinance shall provide that the Series 2012 may be sold in one or more series, and that all or a portion of the Series 2012 Bonds may be sold by competitive sale or by negotiated sale, as determined by the Mayor or the Treasurer. The Bond Ordinance shall also approve the form of the bond purchase agreement to be executed in connection with a negotiated sale of any Series 2012 Bonds and the form of a notice of public sale to be used in connection with any competitive sale of any Series 2012 Bonds.

Section 4. Disposition of Bond Proceeds and Income; Funds and Accounts Adopted or Created by Ordinance; Security for Series 2012 Bonds. The Bond Ordinance shall describe the funds and accounts into which Series 2012 Bond proceeds, pledged revenues and investment income are to be deposited and the use of such moneys.

The Bond Ordinance shall contain appropriate provisions for the budgeting and appropriation of such moneys and the investment of such moneys.

The Bond Ordinance shall provide in substance that the Series 2012 Bonds are special and limited obligations of the City payable solely out of and secured by an irrevocable (but not necessarily exclusive) pledge of certain net pledged revenues of the Enterprise, that the Series 2012 Bonds do not constitute a debt or an indebtedness of the City within the meaning of any constitutional, charter or statutory provision or limitation, that the Series 2012 Bonds are not

payable in whole or in part from the proceeds of general property taxes or any other funds of the City except such net pledged revenues, and that the full faith and credit of the City is not pledged for the payment of the principal of or interest on the Series 2012 Bonds.

Section 5. Priorities; Liens; Issuance of Additional Bonds. The Bond Ordinance shall contain a pledge of certain net revenues of the Enterprise, create a lien upon such net pledged revenues in favor of the owners of the Series 2012 Bonds and prescribe the conditions to the issuance of additional parity bonds or subordinate bonds.

Section 6. Covenants. The Bond Ordinance shall contain appropriate covenants for the security of the Series 2012 Bonds.

Section 7. Defeasance. The Bond Ordinance shall contain appropriate provisions for the defeasance of the Series 2012 Bonds and the Bond Ordinance.

Section 8. Default Provisions and Remedies of Bond Owners. The Bond Ordinance shall prescribe events of default and specify remedies available to the owners of the Series 2012 Bonds.

Section 9. Amendment of Ordinance. The Bond Ordinance shall prescribe the procedures to amend the Bond Ordinance.

Section 10. Miscellaneous. The Bond Ordinance shall authorize the preparation, execution, authentication and registration of the Series 2012 Bonds, the execution and delivery of the Sale Certificate, a paying agent agreement, a continuing disclosure undertaking, an escrow agreement and closing documents and certificates. The Bond Ordinance shall also authorize in substance the assembly and dissemination of financial and other information concerning the City and the Series 2012 Bonds and the printing, distribution and use of a preliminary official statement and a final official statement in connection with the sale and marketing of the Series 2012 Bonds.

The Bond Ordinance may contain such additional and supplemental terms and provisions as the Council may determine.

ADOPTED this ____ day of _____, 2011.

MANAGER OF THE DEPARTMENT OF
PUBLIC WORKS OF THE CITY AND
COUNTY OF DENVER, COLORADO
