

BY AUTHORITY

ORDINANCE NO.
SERIES OF 2018

COUNCIL BILL NO. CB18-0028
COMMITTEE OF REFERENCE:
Finance & Governance

A BILL

For an ordinance authorizing the issuance of the 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 2018, for the purpose of financing the cost of acquiring, improving and equipping the storm drainage and sanitary sewerage facilities of the City; providing for the pledge of certain wastewater revenues for the payment thereof; and making other provisions relating thereto.

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

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 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

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

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

WHEREAS, the Council previously determined in 2011 that it was in the best interest of the City and the customers of the Enterprise to issue for and on behalf of the Enterprise, the City and County of Denver, Colorado, for and on behalf of its Wastewater Division of its Department of Public

1 Works, Wastewater Enterprise Revenue Bonds Series 2012 to acquire, improve and equip the storm
2 drainage facilities of the City and to refund, pay and discharge the Series 2002 Bonds (the “Series
3 2012 Bonds”), which are currently outstanding in the approximate principal amount of \$34,865,000;
4 and

5 **WHEREAS**, the council previously determined in 2016 that it was in the best interest of the
6 City and the customers of the Enterprise to issue, for and on behalf of the Enterprise, the City and
7 County of Denver, Colorado, for and on behalf of its Wastewater Division of its Department of Public
8 Works, Wastewater Enterprise Revenue Bonds, Series 2016 to acquire, improve and equip the storm
9 drainage facilities of the City (the “Series 2016 Bonds”), which are currently outstanding in the
10 approximate principal amount of \$113,015,000; and

11 **WHEREAS**, the Council, in the name and on behalf of the City, and at the request of the
12 Manager, has determined and hereby declares that it is advantageous and in the best interest of the
13 City and the customers of the Enterprise to further acquire, improve and equip the storm drainage
14 and sanitary sewerage facilities of the City (the “Project”) and to issue for and on behalf of the
15 Enterprise, and at the request of the Manager, its Wastewater Enterprise Revenue Bonds to finance
16 the cost thereof; and

17 **WHEREAS**, the construction of the Project is consistent with and in furtherance of the
18 Comprehensive Plan of the City; and

19 **WHEREAS**, in order to finance the acquisition, improvement and equipping of the Project, the
20 City, for and on behalf of the Enterprise, desires to issue its City and County of Denver, Colorado,
21 for and on behalf of its Wastewater Division of its Department of Public Works, Wastewater
22 Enterprise Revenue Bonds, Series 2018 (the “Series 2018 Bonds”);

23 **WHEREAS**, the ordinances authorizing the Series 2012 Bonds and the Series 2016 Bonds
24 contain requirements with respect to the issuance of Additional Parity Bonds; and

25 **WHEREAS**, the Treasurer will certify that the requirements of the ordinances authorizing the
26 issuance of the Series 2012 Bonds and the Series 2016 Bonds, respectively, have been met with
27 respect to the issuance of Additional Parity Bonds thereunder in the form of the Series 2018 Bonds;
28 and

29 **WHEREAS**, the Series 2018 Bonds, the Series 2016 Bonds and the Series 2012 Bonds are
30 each Parity Securities of the Enterprise and each share, together with any Additional Parity Bonds,
31 a first lien, but not an exclusive first lien, on all of the Net Pledged Revenue of the Enterprise; and

1 **WHEREAS**, the Manager of the Enterprise has adopted a resolution (the “Manager’s
2 Resolution”) requesting that the Council adopt an ordinance authorizing the issuance of the Series
3 2018 Bonds to finance the costs of the Project; and

4 **WHEREAS**, the City, acting by and through the Enterprise, is authorized pursuant to TABOR
5 to issue the Series 2018 Bonds without an election to finance the costs of the Project; and

6 **WHEREAS**, pursuant to Section 20-92 of the Revised Municipal Code of the City (the “City
7 Code”), the Manager of Finance, ex-officio Treasurer of the City (the “Treasurer”) has retained Hilltop
8 Securities, Inc., as financial advisor to assist the City and communicated such retention in writing to
9 the President of the Council, and the Clerk and Recorder, ex-officio Clerk of the City (the “Clerk”),
10 has read such communication to the Council; and

11 **WHEREAS**, before undertaking any action that obligates or could obligate the City financially
12 with regard to the issuance of any of the Series 2018 Bonds, the Treasurer has or will provide the
13 written notification to the Council required pursuant to Section 20-93 of the City Code, the Clerk has
14 or will read such notification to the Council at its next regularly scheduled meeting, and the Treasurer
15 will not take any action obligating the City to issue any of the Series 2018 Bonds until at least fifteen
16 (15) days after such reading relating to such Series 2018 Bonds; and

17 **WHEREAS**, the Series 2018 Bonds are to be sold by competitive sale, the Treasurer will
18 provide a notice of the sale of such Series 2018 Bonds by such means as the Treasurer deems
19 appropriate, and the Treasurer shall determine the date and time that competitive bids for such
20 Series 2018 Bonds are to be received and recorded by the Treasurer; and

21 **WHEREAS**, the Mayor or the Treasurer, following generally accepted procedures, will
22 determine and accept or modify by negotiation the best binding bid received for such Series 2018
23 Bonds and award such Series 2018 Bonds to the underwriter or underwriters submitting such bid at
24 the purchase price specified in such bid; and

25 **WHEREAS**, the Council has determined it is necessary and in the best interests of the City
26 that the City undertake the financing of the Project herein authorized and defray the costs thereof by
27 issuing the Series 2018 Bonds and does hereby declare:

28 A. The public interest, safety and welfare require the issuance of the Series 2018 Bonds;
29 and

30 B. The Series 2018 Bonds shall be issued pursuant to the provisions of this Ordinance, a
31 Sale Certificate authorized hereby and by the provisions of the Notice of Sale related thereto; and

32 C. All acts, conditions and things required by law to exist, to have happened and to have
33 been performed as a condition to the issuance of the Series 2018 Bonds do or will exist, have happened or

1 will happen and have been or will be performed in regular and due time, form and manner as required by law;
2 and

3 **WHEREAS**, prior to the enactment hereof, there will have been filed with the Clerk the
4 proposed forms of the following documents with respect to the Series 2018 Bonds:

5 A. Preliminary Official Statement relating to the Series 2018 Bonds (the “Preliminary
6 Official Statement”) (Clerk File No. 2018-0024);

7 B. Notice of Public Sale with respect to the Series 2018 Bonds (the “Notice of Sale”),
8 (Clerk File No. 2018-0024);

9 C. The Continuing Disclosure Undertaking executed by the City relating to the Series 2018
10 Bonds (the “Continuing Disclosure Undertaking”), (Clerk File No. 2018-0024);

11 D. The Paying Agent, Registrar and Transfer Agent Agreement between the City and ZB,
12 National Association dba Zions Bank, as Paying Agent, relating to the Series 2018 Bonds (the “Paying Agent
13 Agreement”), (Clerk File No. 2018-0024); and

14 E. The Manager’s Resolution (Clerk File No. 2018-0024).

15 **WHEREAS**, this Ordinance has been initiated to approve the sale of the Series 2018 Bonds
16 as requested, approved and authorized in the Manager’s Resolution.

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

18 **Section 1. Definitions and Construction.**

19 A. Definitions: In this Ordinance the following terms have the following respective
20 meanings unless the context hereof clearly requires otherwise. Any terms not defined herein or in the Recitals
21 to this Ordinance have the meanings set forth in the City Code.

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

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

28 (3) Additional Parity Bonds: any Parity Securities issued after the initial
29 issuance of any of the Series 2018 Bonds.

30 (4) Average Annual Debt Service Requirements: the aggregate of all Debt
31 Service Requirements (excluding any redemption premiums) due on the Series 2018 Bonds or other
32 issue of Parity Securities for all Bond Years beginning with the Bond Year in which Debt Service
33 Requirements of the Series 2018 Bonds or such Parity Securities are first payable, and ending with

1 the Bond Year in which the last of the Debt Service Requirements are payable, divided by the whole
2 number of such years.

3 (5) Beneficial Owners: those Persons having beneficial ownership interests
4 in Series 2018 Bonds registered in the name of the Securities Depository or a nominee therefor.

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

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

11 (8) Charter: the home rule charter of the City, as amended from time to time.

12 (9) City: the City and County of Denver, Colorado, for and on behalf of the
13 Enterprise, or, when the context so indicates, the City and County of Denver, Colorado.

14 (10) City Code: the Revised Municipal Code of the City, as amended from
15 time to time.

16 (11) Combined Average Annual Debt Service Requirements: the sum of the
17 Average Annual Debt Service Requirements for all issues of Series 2018 Bonds or Parity Securities
18 for which the computation is being made.

19 (12) Combined Maximum Annual Debt Service Requirements: the Maximum
20 Annual Debt Service Requirements for all issues of Series 2018 Bonds or Parity Securities for which
21 the computation is being made, treated as a single issue.

22 (13) Comparable Bond Year: in connection with any Fiscal Year, the Bond
23 Year that ends in such Fiscal Year. For example, for the Fiscal Year commencing on January 1,
24 2019, the Comparable Bond Year for the Series 2018 Bonds commences on November 2, 2018,
25 and ends on November 1, 2019.

26 (14) Construction Fund: the special fund created and referred to in Section
27 5A hereof and held by the City.

28 (15) Continuing Disclosure Undertaking: each Continuing Disclosure
29 Undertaking executed by the City on the date of delivery of each series of Series 2018 Bonds.

30 (16) Cost of the Project: all or any part of the cost of Acquisition, Improvement
31 and Equipment of all or any part of the Project, including without limitation all or any property, rights,
32 easements, privileges, agreements and franchises deemed necessary, useful or convenient therefor
33 or in connection therewith, interest or discount on the Series 2018 Bonds, costs of issuance of the

1 Series 2018 Bonds, engineering and inspection costs, legal expenses, costs of financial,
2 professional and other estimates and advice, contingencies, any administrative, operating and other
3 expenses prior to and during such Acquisition, Improvement and Equipment and additionally during
4 a period of not exceeding one year after the completion thereof and all such other expenses as may
5 be necessary or incidental to the financing, Acquisition, Improvement, Equipment and completion of
6 the Project or any part thereof and the placing of the same in operation, provision of reserves for
7 working capital, operation, maintenance or replacement expenses or for payment or security of
8 principal of or interest on the Series 2018 Bonds during or after such Acquisition, Improvement or
9 Equipment and also reimbursements of any moneys theretofore expended for or in connection with
10 the Project.

11 (17) Costs of Issuance: all financial, legal, accounting, consulting and rating
12 fees, the fees and expenses of the Paying Agent, Registrar and Transfer Agent, and all costs of
13 printing, mailing and publication and similar costs incurred in connection with the offer, sale and
14 issuance of the Series 2018 Bonds.

15 (18) Costs of Issuance Fund: the special fund created and referred to in
16 Section 5B hereof and held by the Paying Agent.

17 (19) Council: the governing body of the City.

18 (20) Debt Service Requirements: for any period, the amount required to pay
19 the principal of, interest on and any premium due in connection with the redemption of any
20 designated outstanding securities during such period; provided that the determination of Debt
21 Service Requirements of any securities shall assume the redemption and payment of such securities
22 on any applicable mandatory redemption date. When computing the Debt Service Requirements for
23 any issue of securities bearing interest at a variable, adjustable, convertible or other similar rate that
24 is not fixed for the entire term thereof, it shall be assumed that any such securities Outstanding at
25 the time of the computation will bear interest during any period at the highest of (a) the actual rate
26 on the date of calculation, or if the securities are not yet outstanding, the initial rate (if established
27 and binding), (b) if the securities have been outstanding for at least twelve (12) months, the average
28 rate over the twelve (12) months immediately preceding the date of calculation, and (c) (i) if interest
29 on the securities is excludable from gross income under the applicable provisions of the Tax Code,
30 the average of the SIFMA Index during the preceding twelve (12) months plus one hundred (100)
31 basis points, or (ii) if interest is not so excludable, the interest rate on direct Federal Securities with
32 comparable maturities plus fifty (50) basis points. It is to be further assumed that any such variable
33 rate securities that may be tendered prior to maturity for purchase at the option of the owner thereof

1 will mature on their stated Maturity Dates or mandatory Redemption Dates. The City shall be
2 permitted to treat any fixed rate payable on an interest rate exchange agreement or “swap” contract
3 as the interest rate on any such issue of variable rate securities if the counterparty to such agreement
4 or contract has unconditionally agreed to pay all interest due on such variable rate securities.

5 (21) Debt Service Fund: the special fund created in Section 5E hereof and
6 held by the City.

7 (22) Enterprise: the Wastewater Management Division of the Department of
8 Public Works of the City.

9 (23) Enterprise Ordinance: Ordinance No. 755, Series of 1993, establishing
10 the Enterprise and authorizing the Enterprise to have and exercise certain powers in furtherance of
11 its purposes.

12 (24) Equip or Equipment: the furnishing of all necessary or desirable, related
13 or appurtenant machinery and other facilities, or any combination thereof, appertaining to any
14 property, project or interest therein, as authorized by the Act or the City Code.

15 (25) Event of Default: any one of the events described in Section 10A hereof.

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

20 (27) 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 (28) Improve or Improvement: the addition, construction, reconstruction,
23 extension, enlargement, betterment, replacement or improvement or any combination thereof, of
24 facilities, other property, any project or any interest therein, as authorized by the Act or the City Code.

25 (29) Income: all income from rates, fees and charges for the services
26 furnished by, the direct or indirect connection with, or use of, the Storm Drainage Facilities or the
27 Sanitary Sewerage Facilities, including without limitation the storm drainage service charges
28 imposed under Secs. 56-112 and 56-113 of the City Code, the sanitary sewage service charges,
29 industrial waste surcharges and carriage, treatment and disposal charges imposed under
30 Secs. 56-93, 56-94, 56-98 and 56-99 of the City Code and all income or other gain, if any, from
31 investment of the Income, but excluding sanitary sewer connection fees, sanitary sewer services
32 availability fees, storm drainage or sanitary sewer impact fees, special assessments for storm
33 drainage or sanitary sewer purposes, grants or reimbursements from any local, State or federal

1 government or agency thereof and any tap fees collected for or on behalf of the Metro Wastewater
2 Reclamation District or any other local government or agency thereof.

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

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

13 (32) Interest Payment Date: a date designated for the payment of interest on
14 the Series 2018 Bonds or any other designated securities.

15 (33) Manager: the Manager of the Department of Public Works of the City.

16 (34) Manager's Resolution: the resolution adopted by the Manager prior to
17 the adoption of this Ordinance, relating to the Series 2018 Bonds.

18 (35) Maturity Date: a date designated for the payment of principal on the
19 Series 2018 Bonds or any other designated securities.

20 (36) Maximum Annual Debt Service Requirements: the maximum aggregate
21 amount of Debt Service Requirements (excluding redemption premiums) due on the Series 2018
22 Bonds or any other issue of Parity Securities in any Bond Year beginning with the Bond Year in
23 which Debt Service Requirements of the Series 2018 Bonds or such Parity Securities are first
24 payable after the computation date and ending with the Bond Year in which the last of the Debt
25 Service Requirements are payable.

26 (37) Net Pledged Revenues: all Income remaining after the deduction of
27 Operation and Maintenance Expenses.

28 (38) Notice of Sale: the Notice of Public Sale relating to the Series 2018
29 Bonds.

30 (39) Official Statement: the Official Statement with respect to the Series 2018
31 Bonds.

1 (40) Operation and Maintenance Fund: collectively, the special funds
2 heretofore created as the storm drainage operating fund and the sanitary sewer operating fund and
3 referred to in Section 5D hereof.

4 (41) Operation and Maintenance Expenses: such reasonable and necessary
5 current expenses, paid or accrued, of operating, maintaining and repairing the Storm Drainage
6 Facilities and the Sanitary Sewerage Facilities. The term may include, except as limited by contract
7 or otherwise limited by law, without limiting the generality of the foregoing.

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

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

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

18 (d) Annual payments to pension, retirement, health and
19 hospitalization funds appertaining to the Storm Drainage Facilities or the
20 Sanitary Sewerage Facilities;

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

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

24 (g) Contractual services, professional services, salaries,
25 administrative expenses and costs of labor appertaining to the Storm Drainage
26 Facilities or the Sanitary Sewerage Facilities, the cost of materials and supplies
27 used for current operation or routine maintenance and repair of the Storm
28 Drainage Facilities or the Sanitary Sewerage Facilities and payments to the
29 Metro Wastewater Reclamation District for the treatment of sewage and other
30 related services;

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

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

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

4 “Operation and Maintenance Expenses” does not include:

- 5 (a) Any allowance for depreciation;
- 6 (b) Any costs of Improvements, extensions or betterments;
- 7 (c) Any accumulation of reserves for capital replacements;
- 8 (d) Any accumulation of reserves for operation, maintenance, or
9 repair of the Storm Drainage Facilities or the Sanitary Sewerage Facilities;
- 10 (e) Any allowance for the redemption of any bonds or other securities
11 or the payment of any interest thereon;
- 12 (f) Any liabilities incurred in the Acquisition of any properties
13 comprising the Storm Drainage Facilities or the Sanitary Sewerage Facilities or
14 any existing properties comprising the Storm Drainage Facilities or the Sanitary
15 Sewerage Facilities or any combination thereof; and
- 16 (g) Any other ground of legal liability not based on contract.

17 (42) Ordinance: this Ordinance as adopted by the Council.

18 (43) Outstanding: as of any particular date, all the Series 2018 Bonds, Additional
19 Parity Bonds, Parity Securities or any such other Securities payable in whole or in part from the Net
20 Pledged Revenues that have been authorized, executed and delivered, except the following:

- 21 (a) Any Series 2018 Bond, Additional Parity Bond, Parity Security or
22 other Security canceled on or before such date;
- 23 (b) Any Series 2018 Bond, Additional Parity Bond, Parity Security or
24 other Security held by or on behalf of the City;
- 25 (c) Any Series 2018 Bond, Additional Parity Bond, Parity Security or
26 other Security for the payment or the redemption of which moneys or Federal
27 Securities, or both, sufficient (including the known minimum yield available for
28 such purpose from Federal Securities in which such amount wholly or in part
29 may be initially invested) to pay all of the Debt Service Requirements of such
30 Series 2018 Bond, Additional Parity Bond, Parity Security or other Security to
31 the Maturity Date or Redemption Date thereof shall have theretofore been
32 deposited in escrow or in trust with an Insured Bank for that purpose; and

1 (d) Any lost, destroyed, or wrongfully taken Series 2018 Bond,
2 Additional Parity Bond, Parity Security or other Security in lieu of or in
3 substitution for which another bond or other Security shall have been executed
4 and delivered.

5 (44) Owner: the registered owner of any Series 2018 Bond.

6 (45) Parity Securities: any bonds (including the Series 2016 Bonds and
7 Series 2012 Bonds), notes, Securities, leases or other obligations payable in whole or in part from
8 the Net Pledged Revenues and having a lien on the Net Pledged Revenues on a parity with the lien
9 thereon of the Series 2018 Bonds.

10 (46) Participants: participating underwriters, securities brokers or dealers,
11 banks, trust companies, closing corporations or other persons or entities for which the Securities
12 Depository holds Series 2018 Bonds.

13 (47) Paying Agent: ZB, National Association dba Zions Bank, or such
14 successor paying agent, as shall be appointed hereunder.

15 (48) Paying Agent Agreement: with respect to each series of Series 2018
16 Bonds, the Paying Agent, Registrar and Transfer Agent Agreement between the City and the Paying
17 Agent, relating to such Series 2018 Bonds.

18 (49) Permitted Investments: such investments or reinvestments as are
19 permitted and authorized to be made by the Treasurer pursuant to the Charter and the City's
20 investment policy.

21 (50) Person: any individual, firm, partnership, corporation, company,
22 association, joint stock association or body politic or any trustee, receiver, assignee or similar
23 representative thereof.

24 (51) Policy Costs: to the extent that any reserve account securing the
25 payment of Parity Securities and Additional Parity Bonds is funded, in whole or in part, by a debt
26 service reserve fund policy or similar credit facility, policy costs shall mean the principal amount of
27 any claim paid by the bond insurer under such debt service reserve policy or credit facility,
28 reasonable expenses paid by the bond insurer in connection therewith and interest accrued on the
29 foregoing as provided in such debt service reserve policy or credit facility.

30 (52) Preliminary Official Statement: the Preliminary Official Statement with
31 respect to the Series 2018 Bonds.

1 (53) Project: the acquisition, improvement and equipping of the Storm
2 Drainage Facilities and/or Sanitary Sewerage Facilities that are being financed with a portion of the
3 proceeds of the Series 2018 Bonds.

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

7 (55) Rebate Account: the special account created and referred to in Section
8 5L hereof.

9 (56) Record Date: the 15th day (whether or not a Business Day) of the
10 calendar month next preceding each regularly scheduled interest payment date for the Series 2018
11 Bonds.

12 (57) Redemption Date: the date designated for optional or mandatory sinking
13 fund redemption prior to maturity of any Series 2018 Bonds or other designated securities.

14 (58) Registrar: ZB, National Association dba Zions Bank, or such successor
15 registrar as shall be appointed hereunder.

16 (59) Sale Certificate: with respect to the Series 2018 Bonds, a certificate
17 executed by the Mayor or the Treasurer of the City on or before the date of delivery of such Series
18 2018 Bonds setting forth the determinations that may be delegated to such officials pursuant to
19 Section 11-57-205(1) of the Supplemental Act and also setting forth the determinations that have
20 been delegated to such officials pursuant to the Charter and Section 3B hereof.

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

26 (61) Securities Depository: The Depository Trust Company, New York, New
27 York, hereby designated as the depository for the Series 2018 Bonds, and includes any nominee or
28 successor thereof.

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

31 (63) Series 2018 Bonds: one or more series of the City and County of Denver,
32 Colorado, for and on behalf of the Wastewater Management Division of its Department of Public

1 Works, Wastewater Enterprise Revenue Bonds, as so named and with such details as set forth in a
2 Sale Certificate.

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

7 (65) Special Record Date: the date fixed by the Paying Agent for the
8 determination of ownership of Series 2018 Bonds for the purpose of paying interest not paid when
9 due or interest accruing after maturity.

10 (66) State: the State of Colorado.

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

16 (68) Subordinate Bonds or Subordinate Securities: Bonds or securities
17 payable from the Net Pledged Revenues having a lien thereon subordinate or junior to the lien
18 thereon of the Series 2018 Bonds.

19 (69) Superior Bonds or Superior Securities: Bonds or securities payable from
20 the Net Pledged Revenues having a lien thereon superior or senior to the lien thereon of the Series
21 2018 Bonds.

22 (70) Supplemental Act: the Supplemental Public Securities Act, constituting
23 Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended.

24 (71) Tax Code: the Internal Revenue Code of 1986, as amended.

25 (72) Transfer Agent: ZB, National Association dba Zions Bank, a national
26 banking association, or such successor transfer agent as shall be appointed hereunder.

27 (73) Treasurer: the City's Manager of Finance, ex-officio Treasurer, or the
28 Treasurer's successor in functions, if any.

29 (74) Underwriter: collectively, the underwriter or underwriters of the Series
30 2018 Bonds as set forth in the applicable Sale Certificate.

31 (75) Wastewater Management Enterprise Fund: the special fund heretofore
32 created and referred to in Section 5C hereof.

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

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

4 (2) Any Series 2018 Bonds held by the City shall not be deemed to be
5 Outstanding for the purpose of redemption or of consents hereunder.

6 (3) Any inconsistency between the provisions of this Ordinance and those of
7 any applicable State statutes is intended by the Council. To the extent of any such inconsistency,
8 the provisions of this Ordinance shall be deemed made pursuant to the Charter and shall supersede
9 to the extent permitted by law the conflicting provisions of said statutes.
10

11 **Section 2. Certain Determinations.**

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

18 B. Necessity of Project. It is necessary and in the best interests of the City and the
19 inhabitants thereof that the City undertake the Project herein authorized and defray the costs thereof
20 by issuing the Series 2018 Bonds.

21 C. Ratification of Actions. All action heretofore taken (not inconsistent with the
22 provisions of this Ordinance) by the officers, agents and employees of the City relating to undertaking
23 and effectuating the Project and the issuance, sale and delivery of the Series 2018 Bonds for that
24 purpose is hereby ratified, approved, and confirmed.

25 **Section 3. The Series 2018 Bonds.**

26 A. Authorization of Project and Series 2018 Bonds. The City hereby authorizes
27 the Project and the issuance of the Series 2018 Bonds, as determined in the Sale Certificate, to
28 defray the costs thereof. All Debt Service Requirements of the Series 2018 Bonds shall be payable
29 solely out of Net Pledged Revenues.

30 B. Delegation. Pursuant to the Charter and Section 11-57-205 of the
31 Supplemental Act, the Council hereby delegates to each of the Mayor or the Treasurer the
32 independent authority to determine that the Series 2018 Bonds will be sold by competitive bidding,
33 and to receive bids for the purchase of the Series 2018 Bonds, to determine the best bid therefor in

1 accordance with the terms and provisions of this Ordinance and the Notice of Sale, and to accept a
2 binding bid or bids for the Series 2018 Bonds, and to execute any agreement in connection therewith.
3 At the time the Mayor or the Treasurer, as the case may be, accepts a binding bid for any of the
4 Series 2018 Bonds, the Mayor or the Treasurer shall also, on or before the date of delivery of the
5 Series 2018 Bonds, execute the Sale Certificate setting forth the purchaser of such Series 2018
6 Bonds and the terms of such Series 2018 Bonds.

7 Pursuant to the Charter and the Supplemental Act, the Council hereby further delegates to
8 each of the Mayor or the Treasurer the authority to independently make any determination delegable
9 pursuant to Section 11-57-205(1) of the Supplemental Act, in relation to the Series 2018 Bonds, and
10 to include such determinations in the Sale Certificate for each series of Series 2018 Bonds, subject
11 to the parameters and restrictions contained herein.

12 Approval of this Ordinance grants continuing authority to the Mayor or the Treasurer to
13 approve the issuance of Series 2018 Bonds for one year after the adoption of this Ordinance without
14 further action by the Council subject to the parameters set forth herein.

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

17 C. Bond Details; Parameters.

18 (1) Generally; Parameters. The Series 2018 Bonds shall be issued in fully
19 registered form and shall initially be registered in the name of Cede & Co., as nominee for the
20 Securities Depository. Purchases by Beneficial Owners of the Series 2018 Bonds shall be made in
21 book-entry form in the denominations of \$5,000 or any integral multiple thereof. The Beneficial
22 Owners of the Series 2018 Bonds shall not receive certificates evidencing their interests in the Series
23 2018 Bonds. No Series 2018 Bond shall be issued in any denomination larger than the aggregate
24 principal amount maturing on the Maturity Date of such Series 2018 Bond, and no Series 2018 Bond
25 shall be made payable on more than one Maturity Date.

26 Pursuant to the recommendations of the Committee on Uniform Security Identification
27 Procedures, CUSIP numbers may be printed on the Series 2018 Bonds.

28 The Series 2018 Bonds shall be dated their date of delivery, mature, be payable, bear interest
29 payable to the Owners of the Series 2018 Bonds from their date to maturity or prior redemption, be
30 sold, all as provided in the applicable Sale Certificate; provided that:

- 31 (i) all Series 2018 Bonds shall mature no later than November 1, 2047;
- 32 (ii) the maximum net effective interest rate of the Series 2018 Bonds shall
33 not exceed 4.50%;

1 (iii) the aggregate principal amount of the Series 2018 Bonds is estimated to
2 be \$107,000,000, but shall not in any event exceed \$107,000,000;

3 (iv) the net purchase price of the Series 2018 Bonds shall not be less than
4 100% of the original principal amount of such Series 2018 Bonds; and

5 (v) each Series 2018 Bond (a) shall not be subject to optional redemption
6 prior to maturity, or (b) may be subject to optional redemption at such time or times as permitted by
7 State law and as set forth in the Sale Certificate, at a redemption price not to exceed 100%.

8 Interest on the Series 2018 Bonds shall be calculated on the basis of a 360-day year of twelve
9 30-day months, payable semiannually on May 1 and November 1, commencing on the date or dates
10 set forth in the Sale Certificate.

11 If the principal of or interest on any Series 2018 Bond is not paid as provided herein, interest
12 shall be payable on such unpaid principal or interest at the interest rate specified in the Series 2018
13 Bond until such unpaid principal or interest is paid in full.

14 The principal of, interest on and any premium due in connection with the redemption of the
15 Series 2018 Bonds shall be payable in lawful money of the United States of America to the registered
16 Owners of the Series 2018 Bonds by the Paying Agent. The principal and the final installment of
17 interest shall be payable to the Owner of each Series 2018 Bond upon presentation and surrender
18 thereof at maturity or upon prior redemption by check or draft sent to the Owner at the address
19 appearing on the registration books of the City maintained by the Registrar or by wire transfer to
20 such bank or other depository as the Owner shall designate in writing to the Paying Agent. Except
21 as hereinbefore and hereinafter provided, the interest shall be payable to the Owner of each Series
22 2018 Bond determined as of the close of business on the Record Date irrespective of any transfer
23 of ownership of the Series 2018 Bond subsequent to the Record Date and prior to such Interest
24 Payment Date by check or draft or wire transfer directed to such Owner as aforesaid. Any principal
25 or interest not paid when due and any interest accruing after maturity shall be payable to the Owner
26 of each Series 2018 Bond entitled to receive such principal or interest determined as of the close of
27 business on the Special Record Date, irrespective of any transfer of ownership of the Series 2018
28 Bond subsequent to the Special Record Date and prior to the date fixed by the Paying Agent for the
29 payment of such principal or interest, by check or draft or wire transfer directed to such Owner as
30 aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such interest
31 shall be given by sending a copy thereof by first-class postage prepaid mail at least fifteen (15) days
32 prior to the Special Record Date to the Owner of each Series 2018 Bond upon which principal or

1 interest will be paid determined as of the close of business on the day preceding such mailing at the
2 address appearing on the registration books of the City.

3 Any premium shall be payable to the Owner of each Series 2018 Bond being redeemed upon
4 presentation and surrender thereof upon prior redemption by check or draft or wire transfer directed
5 to such Owner as aforesaid. So long as the Owner of any Series 2018 Bond is the Securities
6 Depository or a nominee therefor, the Securities Depository shall disburse any payments received,
7 through Participants or otherwise, to the Beneficial Owners. If the date for making any payment or
8 giving any notice is not a Business Day, such payment or notice shall be made or given on the next
9 succeeding Business Day.

10 So long as the registered owner of any Series 2018 Bond is the Securities Depository or a
11 nominee therefor, the Securities Depository shall disburse any payments received, through
12 participating underwriters, securities brokers or dealers, banks, trust companies, closing
13 corporations or other persons or entities for which the Securities Depository holds Series 2018 Bonds
14 or otherwise, to the Beneficial Owner or Owners thereof.

15 Neither the City nor the Paying Agent shall have any responsibility or obligation for the
16 payment to any Participant, any Beneficial Owner or any other Person (except an Owner of Series
17 2018 Bonds) of the principal of, interest on or any premium due on the Series 2018 Bonds.

18 Notwithstanding the foregoing provisions or any other provisions of this Ordinance to the
19 contrary, so long as the Series 2018 Bonds are held in book-entry form, the payment, registration,
20 exchange, transfer and redemption provisions of the Series 2018 Bonds shall conform to the
21 requirements of the Securities Depository.

22 (2) Redemption: The Series 2018 Bonds shall be subject to redemption prior
23 to their respective Maturity Dates as set forth in the applicable Sale Certificate.

24 The Series 2018 Bonds may also be subject to mandatory sinking fund redemption if so
25 determined in the applicable Sale Certificate.

26 Series 2018 Bonds that are redeemable prior to their respective Maturity Dates may be
27 redeemed in part if issued in denominations that are integral multiples of \$5,000. In such case, the
28 Series 2018 Bond shall be surrendered in the manner provided for transfers of ownership. Upon
29 payment of the redemption price the Owner shall receive a new Series 2018 Bond or Series 2018
30 Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion
31 of the Series 2018 Bond surrendered. Such Series 2018 Bonds shall be treated as representing a
32 corresponding number of separate Series 2018 Bonds in the denomination of \$5,000 each.

1 Unless waived by the Owners of any Series 2018 Bonds to be redeemed, notice of redemption
2 shall be given by the Paying Agent in the name of the City by sending a copy thereof by first-class
3 postage prepaid mail, or by using such other method required by the Securities Depository, not less
4 than thirty (30) days or more than sixty (60) days prior to the Redemption Date to the Owner of each
5 of the Series 2018 Bonds being redeemed determined as of the close of business on the day
6 preceding the first mailing of such notice at the address appearing on the registration books of the
7 City. Such notice shall specify: (i) the number or numbers of the Series 2018 Bonds to be redeemed,
8 whether in whole or in part; (ii) the principal amounts thereof; (iii) the CUSIP numbers of the Series
9 2018 Bonds to be redeemed; (iv) the date the Series 2018 Bonds were originally issued; (v) the rate
10 of interest borne by each Series 2018 Bond to be redeemed; (vi) the maturity date of each Series
11 2018 Bond to be redeemed; (vii) the date fixed for redemption; (viii) that on the Redemption Date
12 there will be due and payable upon each Series 2018 Bond or part thereof so to be redeemed at the
13 office of the Paying Agent the principal amount or part thereof plus accrued interest thereon to the
14 Redemption Date and that from and after such date interest will cease to accrue; and, (ix) any other
15 descriptive information determined by the Paying Agent or the Treasurer to be necessary to identify
16 accurately the Series 2018 Bonds being redeemed. In addition, the Paying Agent is hereby
17 authorized and directed to give such other or further notice as may be required by law and to comply
18 with any operational procedures and requirements of the Securities Depository relating to
19 redemption of bonds and notice thereof. Each such notice of redemption shall be sent at least thirty
20 (30) days before the Redemption Date by first class mail or overnight delivery service or by electronic
21 submission to the Securities Depository. Failure to send any notice as aforesaid or any defect in
22 any notice so sent with respect to any Series 2018 Bond shall not affect the validity of the redemption
23 proceedings with respect to any other Series 2018 Bond.

24 On or prior to the Redemption Date, the City shall deposit with the Paying Agent sufficient
25 funds to redeem any Series 2018 Bonds called for prior redemption on the Redemption Date. Upon
26 such deposit, the Series 2018 Bonds or portions thereof to be redeemed shall be due and payable
27 on the Redemption Date, and on the Redemption Date interest shall cease to accrue thereon. Any
28 Series 2018 Bonds redeemed prior to their respective Maturity Dates by call for prior redemption or
29 otherwise shall not be reissued and shall be canceled the same as Series 2018 Bonds paid at or
30 after maturity.

31 Notwithstanding the provisions of this section, any notice of redemption may contain a
32 statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or
33 before the date fixed for redemption sufficient to pay the redemption price of the Series 2018 Bonds

1 called for redemption, and that if such funds are not available, such redemption shall be cancelled
2 by written notice to the Owners of such Series 2018 Bonds called for redemption in the same manner
3 as the original redemption notice was sent.

4 (3) Negotiability: Subject to the registration and payment provisions herein
5 provided, the Series 2018 Bonds shall be fully negotiable within the meaning of and for the purposes
6 of the Uniform Commercial Code — Investment Securities, and each Owner shall possess all rights
7 enjoyed by holders of negotiable instruments under the Uniform Commercial Code — Investment
8 Securities.

9 (4) Execution and Authentication: The Series 2018 Bonds shall be executed
10 in the name and on behalf of the City with the manual or facsimile signature of the Mayor, shall be
11 sealed with the manual or facsimile impression of the seal of the City and attested with the manual
12 or facsimile signature of the Clerk. Each Series 2018 Bond shall be authenticated with the manual
13 signature of the Registrar. The Series 2018 Bonds bearing the manual or facsimile signatures of the
14 officers in office at the time of the authorization thereof shall be the valid and binding obligations of
15 the City, subject to the requirement of authentication by the Registrar, notwithstanding that before
16 the delivery thereof and payment therefor or before the transfer or exchange thereof any or all or the
17 Persons whose manual or facsimile signatures appear thereon shall have ceased to fill their
18 respective offices. No Series 2018 Bond shall be valid or obligatory for any purpose or be entitled
19 to any security or benefit under this Ordinance unless the certificate of authentication on such Series
20 2018 Bond shall have been duly executed by the Registrar, and such executed certificate upon any
21 such Series 2018 Bond shall be conclusive evidence that such Series 2018 Bond has been
22 authenticated and delivered under this Ordinance.

23 (5) Registration, Transfer and Exchange of Bonds: Upon their execution and
24 authentication and prior to their delivery, the Series 2018 Bonds shall be registered for the purpose
25 of payment of principal and interest with the Registrar.

26 Neither the City nor the Registrar shall have any responsibility or obligation with respect to
27 the accuracy of the records of the Securities Depository or a nominee therefor or any Participant
28 with respect to any ownership interest in the Series 2018 Bonds or the delivery to any Participant,
29 Beneficial Owner or any other person of any notice with respect to the Series 2018 Bonds.

30 The Series 2018 Bonds shall be transferable only upon the registration books of the City by
31 the Transfer Agent, at the request of the Owner thereof or his, her or its duly authorized attorney-in-
32 fact or legal representative. A Series 2018 Bond may be transferred upon surrender thereof together
33 with a written instrument of transfer duly executed by the Owner or his, her or its duly authorized

1 attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent,
2 containing written instructions as to the details of the transfer, along with the social security number
3 or federal employer identification number of the transferee and, if the transferee is a trust, the names
4 and social security numbers of the settlors and beneficiaries of the trust. The Transfer Agent shall
5 not be required to transfer ownership of any Series 2018 Bond during the fifteen (15) days prior to
6 the first mailing of any notice of redemption for any Series 2018 Bond or to transfer ownership of any
7 Series 2018 Bond selected for redemption on or after the date of such mailing. The Owner of any
8 Series 2018 Bond or Series 2018 Bonds may also exchange such Series 2018 Bond or Series 2018
9 Bonds for another Series 2018 Bond or Series 2018 Bonds of authorized denominations. Transfers
10 and exchanges shall be made without charge, except that the Transfer Agent may require payment
11 of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in
12 connection with any transfer or exchange of Series 2018 Bonds. No transfer of any Series 2018
13 Bond shall be effective until entered on the registration books of the City. In the case of every
14 transfer or exchange, the Registrar shall authenticate and the Transfer Agent shall deliver to the new
15 Owner a new Series 2018 Bond or Series 2018 Bonds of the same aggregate principal amount
16 maturing in the same year and bearing interest at the same per annum rate as the Series 2018 Bond
17 or Series 2018 Bonds surrendered. Such Series 2018 Bonds shall be dated as of their date of
18 authentication. New Series 2018 Bonds delivered upon any transfer or exchange shall be valid
19 obligations of the City, evidencing the same obligations as the Series 2018 Bonds surrendered, shall
20 be secured by this Ordinance, and shall be entitled to all of the security and benefits hereof to the
21 same extent as the Series 2018 Bonds surrendered. The City may deem and treat the Person in
22 whose name any Series 2018 Bond is last registered upon the books of the City as the absolute
23 Owner thereof for the purpose of receiving payment of the principal of, interest on and any premium
24 due in connection with such Series 2018 Bond and for all other purposes, and all such payments so
25 made to such Person or upon his, her or its order shall be valid and effective to satisfy and discharge
26 the liability of the City upon such Series 2018 Bond to the extent of the sum or sums so paid, and
27 the City shall not be affected by any notice to the contrary.

28 Neither the City nor the Transfer Agent shall have any responsibility or obligation with respect
29 to the accuracy of the records of the Securities Depository or its Participants regarding any
30 ownership interest in the Series 2018 Bonds or transfers thereof.

31 The City may remove the Securities Depository and the Securities Depository may resign by
32 giving sixty (60) days written notice to the other of such removal or resignation. Additionally, the
33 Securities Depository shall be removed sixty (60) days after receipt by the City of written notice from

1 the Securities Depository to the effect that the Securities Depository has received written notice from
2 Participants having interests, as shown in the records of the Securities Depository, in an aggregate
3 principal amount of not less than 50% of the aggregate principal amount of the then Outstanding
4 Series 2018 Bonds to the effect that the Securities Depository is unable or unwilling to discharge its
5 responsibilities or a continuation of the requirement that all of the Outstanding Series 2018 Bonds
6 be registered in the name of the Securities Depository or a nominee therefor is not in the best
7 interests of the Beneficial Owners. Upon the removal or resignation of the Securities Depository,
8 the Securities Depository shall take such action as may be necessary to assure the orderly transfer
9 of the computerized book-entry system with respect to the Series 2018 Bonds to a successor
10 securities depository or if no successor securities depository is appointed as herein provided, the
11 transfer of the Series 2018 Bonds in certificate form to the Beneficial Owners or their designees.
12 Upon the giving of notice by the City of the removal of the Securities Depository, the giving of notice
13 by the Securities Depository of its resignation or the receipt by the City of notice with respect to the
14 written notice of Participants referred to herein, the City may, within sixty (60) days after the giving
15 of such notice, appoint a successor securities depository upon such terms and conditions as the City
16 shall impose. Any such successor securities depository shall at all times be a registered clearing
17 agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or
18 regulation, and in good standing thereunder. If the City fails to appoint a successor securities
19 depository within such time period, the Series 2018 Bonds shall no longer be restricted to be
20 registered in the name of the Securities Depository or a nominee therefor, but may be registered in
21 whatever name or names Owners transferring or exchanging Series 2018 Bonds shall designate.

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

28 (7) Lost or Stolen Bonds: If any Series 2018 Bond shall be lost, stolen,
29 destroyed or mutilated, the Transfer Agent shall, upon receipt of such evidence, information,
30 indemnity and reimbursement for expenses relating thereto as it and the City may reasonably
31 require, authenticate and deliver a replacement Series 2018 Bond or Series 2018 Bonds of the same
32 aggregate principal amount, interest rate and Maturity Date, bearing a number or numbers not
33 previously assigned. If such lost, stolen, destroyed or mutilated Series 2018 Bond shall have

1 become due and payable or is about to become due and payable, the Paying Agent may pay such
2 Series 2018 Bond in lieu of replacement.

3 (8) Delivery and Cancellation of Bonds: The officers of the City are
4 authorized to deliver to the Registrar fully executed unauthenticated Series 2018 Bonds in such
5 quantities as may be convenient to be held in custody by the Registrar pending use as herein
6 provided.

7 Whenever any Series 2018 Bond shall be surrendered to the Paying Agent upon payment
8 thereof or to the Transfer Agent for the transfer, exchange or replacement as provided herein, such
9 Series 2018 Bond shall be promptly canceled by the Paying Agent or Transfer Agent, which
10 cancellation shall be reported to the Council and certified by the Auditor to the Mayor pursuant to the
11 Charter.

12 (9) Recitals: Each Series 2018 Bond shall recite in substance that the Series
13 2018 Bond is a special and limited obligation of the City payable solely out of and secured by an
14 irrevocable (but not necessarily exclusive) pledge of the Net Pledged Revenues, that the Series
15 2018 Bond does not constitute a debt or an indebtedness of the City within the meaning of any
16 constitutional, Charter or statutory provision or limitation, that the Series 2018 Bond is not payable
17 in whole or in part from the proceeds of general property taxes or any other funds of the City except
18 the Net Pledged Revenues, and that the full faith and credit of the City is not pledged for the payment
19 of the principal of or interest on the Series 2018 Bond. Each Series 2018 Bond shall further recite
20 in substance that the Series 2018 Bond is issued by the City under the authority of the State
21 Constitution, the Charter, the City Code, the Enterprise Ordinance, the Act, the Supplemental Act
22 and this Ordinance.

23 (10) Form of Bonds: Subject to the provisions of this Ordinance and the Sale
24 Certificate, the Series 2018 Bonds shall be in substantially the following form, with such omissions,
25 insertions, endorsements and variations as may be required by the circumstances and as shall be
26 consistent with this Ordinance and the applicable Sale Certificate.

1 [Form of Series 2018 Bond]

2
3 Unless this bond is presented by an authorized representative of The Depository Trust
4 Company, a New York corporation (“DTC”), to the City or its agent for registration of
5 transfer, exchange, or payment, and any bond issued is registered in the name of Cede
6 & Co. or in such other name as is requested by an authorized representative of DTC (and
7 any payment is made to Cede & Co. or to such other entity as is requested by an
8 authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE
9 HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL
10 inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

11
12 UNITED STATES OF AMERICA
13 STATE OF COLORADO
14 CITY AND COUNTY OF DENVER, COLORADO,
15 FOR AND ON BEHALF OF THE WASTEWATER MANAGEMENT DIVISION
16 OF ITS DEPARTMENT OF PUBLIC WORKS
17 WASTEWATER ENTERPRISE REVENUE BOND
18 SERIES 2018

No. R-___ \$ _____
INTEREST RATE MATURITY DATE ORIGINAL DATE CUSIP
_____% November 1, ____, _____, _____
2018

19 REGISTERED OWNER: Cede & Co.

20 PRINCIPAL SUM:

21 The City and County of Denver, Colorado, for and on behalf of the Wastewater
22 Management Division of its Department of Public Works (the “City”), for value received,
23 hereby promises to pay to the Registered Owner (specified above), or registered assigns,
24 solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum
25 (specified above), in lawful money of the United States of America, on the Maturity Date
26 (specified above), with interest thereon from the Original Date (specified above), or the
27 interest payment date to which interest has been paid next preceding the date hereof,

1 whichever is later, to the Maturity Date, except if redeemed prior thereto, at the per annum
2 Interest Rate (specified above), computed on the basis of a 360-day year consisting of
3 twelve (12) months of thirty (30) days each, payable semiannually on the first day of May
4 and the first day of November of each year, commencing on May 1, 2018, or the first such
5 date after the date hereof, whichever is later, in the manner provided herein. If upon
6 presentation at maturity payment of the Principal Sum is not made as provided herein,
7 interest continues at the Interest Rate until the Principal Sum is paid in full.

8 This Series 2018 Bond is one of an authorized series of Series 2018 Bonds (the
9 “Series 2018 Bonds”) issued pursuant to an Ordinance adopted by the City Council of the
10 City (the “Ordinance”). This Series 2018 Bond bears interest, matures, is payable, and
11 is transferable as provided in the Ordinance and a Sale Certificate executed by either the
12 Mayor or the Manager of Finance, ex-officio Treasurer of the City prior to the delivery of
13 the Series 2018 Bonds. To the extent not defined herein, terms used herein are used as
14 defined in the Ordinance. Reference is made to the Ordinance and to all ordinances
15 supplemental thereto, with respect to the nature and extent of the security for the Series
16 2018 Bonds, rights, duties and obligations of the City, the rights of the Owners of the
17 Series 2018 Bonds, the rights, duties and obligations of the Paying Agent, Registrar and
18 Transfer Agent, the circumstances under which any Series 2018 Bond is no longer
19 Outstanding, and to all the provisions of which the Owner hereof by the acceptance of
20 this Series 2018 Bond assents.

21 [Include Redemption Provisions from Sale Certificate]

22 Series 2018 Bonds that are redeemable prior to their respective maturity dates
23 may be redeemed in part if issued in denominations that are integral multiples of \$5,000.
24 In such case the Series 2018 Bond is to be surrendered in the manner provided for
25 transfers of ownership. Upon payment of the redemption price the Registered Owner is
26 to receive a new Series 2018 Bond or Series 2018 Bonds of authorized denominations in
27 aggregate principal amount equal to the unredeemed portion of the Series 2018 Bond
28 surrendered.

29 The principal of, interest on and any premium due in connection with the
30 redemption of this Series 2018 Bond are payable to the Registered Owner by ZB, National
31 Association dba Zions Bank, or such successor as appointed under the Ordinance, as

1 paying agent (the "Paying Agent"). So long as the Registered Owner is a securities
2 depository or a nominee therefor, the securities depository is to disburse any payments
3 received, through its participants or otherwise, to the beneficial owner or owners hereof.

4 Neither the City nor the Paying Agent has any responsibility or obligation for the
5 payment to any participant, any beneficial owner hereof or any other person (except the
6 Registered Owner) of the principal of and interest on this Series 2018 Bond.

7 Neither the City nor the Registrar has any responsibility or obligation with respect
8 to the accuracy of the records of the Securities Depository or a nominee therefor or any
9 participant with respect to any ownership interest in the Series 2018 Bonds or the delivery
10 to any participant, beneficial owner or any other person (except the Registered Owner) of
11 any notice with respect to the Series 2018 Bonds.

12 This Series 2018 Bond is transferable only as set forth in the Ordinance and only
13 upon the registration books of the City by ZB, National Association dba Zions Bank, or
14 such successor as appointed under the Ordinance, as its transfer agent (the "Transfer
15 Agent"). The Transfer Agent is not required to transfer ownership of this Series 2018
16 Bond during the fifteen (15) days prior to the first mailing of any notice of redemption or
17 to transfer ownership of any Series 2018 Bond selected for redemption on or after the
18 date of such mailing. The Registered Owner may also exchange this Series 2018 Bond
19 for another Series 2018 Bond or Series 2018 Bonds of authorized denominations. The
20 City may deem and treat the person in whose name this Series 2018 Bond is last
21 registered upon the books of the City as the absolute owner hereof for the purpose of
22 receiving payment of the principal of and interest on this Series 2018 Bond and for all
23 other purposes, and all such payments so made to such person or upon his, her or its
24 order will be valid and effective to satisfy and discharge the liability of the City upon this
25 Series 2018 Bond to the extent of the sum or sums so paid, and the City will not be
26 affected by any notice to the contrary.

27 Neither the City nor the Transfer Agent has any responsibility or obligation with
28 respect to the accuracy of the records of the Securities Depository or its participants
29 regarding any ownership interest in the Series 2018 Bonds or transfers thereof.

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

1 Payment of the principal of, interest on and any premium due in connection with
2 the redemption of this Series 2018 Bond is to be made solely from, and as security for
3 such payment there are irrevocably (but not exclusively) pledged, pursuant to the
4 Ordinance, the Net Pledged Revenues, which consist of certain revenues derived from
5 the operation and use of and otherwise pertaining to the storm drainage facilities and the
6 sanitary sewerage facilities of the City after provision is made for the payment of all
7 Operation and Maintenance Expenses. The City has covenanted in the Ordinance to pay
8 into a special fund identified as the Debt Service Fund, from the Net Pledged Revenues,
9 sums sufficient to pay when due the principal of and interest on the Series 2018 Bonds.
10 The Series 2018 Bonds are not secured by a reserve account.

11 It is hereby recited, certified and warranted that for the payment of the principal of,
12 interest on and any premium due in connection with the redemption of this Series 2018
13 Bond, the City has created and will maintain said special funds and will deposit the Net
14 Pledged Revenues therein, and out of said special funds, as an irrevocable charge
15 thereon, the City will pay the principal of, interest on and any premium due in connection
16 with the redemption of this Series 2018 Bond in the manner provided by the Ordinance.

17 The Series 2018 Bonds are equitably and ratably secured by a lien on the Net
18 Pledged Revenues, and such Series 2018 Bonds constitute an irrevocable and first lien
19 (but not an exclusive first lien) upon the Net Pledged Revenues. Bonds and other types
20 of securities, in addition to the Series 2018 Bonds, subject to expressed conditions, may
21 be issued and made payable from the Net Pledged Revenues having a lien thereon
22 subordinate and junior to the lien of the Series 2018 Bonds or, subject to additional
23 expressed conditions, having a lien thereon on a parity with the lien of the Series 2018
24 Bonds in accordance with the provisions of the Ordinance.

25 The City covenants and agrees with the Registered Owner that the City will keep
26 and will perform all of the covenants of this Series 2018 Bond and of the Ordinance and
27 the Sale Certificate.

28 This Series 2018 Bond is authorized and issued by the City, under the authority
29 and in full conformity with the Constitution of the State of Colorado, the home rule charter
30 of the City (the "Charter"), the City Code, the Enterprise Ordinance, a resolution of the
31 Manager of Public Works of the City, part 4 of article 35 of title 31, Colorado Revised

1 Statutes, as amended (the “Act”), part 2 of article 57 of title 11, Colorado Revised
2 Statutes, as amended (the “Supplemental Act”), and all other laws of the State of
3 Colorado thereunto enabling and pursuant to the Ordinance, for the purpose of (a)
4 financing the acquisition, improvement and equipment of certain storm drainage facilities
5 and/or sanitary sewerage facilities for the City and (b) paying certain costs of issuance
6 related thereto. The Act provides that the foregoing recital conclusively imparts full
7 compliance with all of the provisions and limitations of the Act, and that this Series 2018
8 Bond is incontestable for any cause whatsoever after its delivery for value. Pursuant to
9 Section 11-57-210 of the Supplemental Act, this recital shall be conclusive evidence of
10 the validity and the regularity of the issuance of the Bonds after their delivery for value.

11 Reference is hereby made to the Ordinance, and to any and all modifications and
12 amendments thereof, for a description of the provisions, terms and conditions upon which
13 the Series 2018 Bonds of this issue are issued and secured, including, without limitation,
14 the nature and extent of the security for the Series 2018 Bonds, provisions with respect
15 to the custody and application of the proceeds of the Series 2018 Bonds, the collection
16 and disposition of the revenues and moneys charged with and pledged to the payment of
17 the principal of, interest on and any premium due in connection with the redemption of
18 the Series 2018 Bonds, the terms and conditions on which the Series 2018 Bonds are
19 issued, a description of the special funds referred to above and the nature and extent of
20 the security and pledge afforded thereby for the payment of the principal of, interest on
21 and any premium due in connection with the redemption of the Series 2018 Bonds, and
22 the manner of enforcement of said pledge, as well as the rights, duties, immunities and
23 obligations of the City and the members of its governing body and also the rights and
24 remedies of the registered owners of the Series 2018 Bonds.

25 To the extent and in the respects permitted by the Ordinance, the provisions of the
26 Ordinance, or any instrument amendatory thereof or supplemental thereto, may be
27 modified or amended by action of the City taken in the manner and subject to the
28 conditions and exceptions provided in the Ordinance. The pledge of revenues and other
29 obligations of the City under the Ordinance may be discharged at or prior to the maturity
30 or prior redemption of the Series 2018 Bonds upon the making of provision for the
31 payment of the Series 2018 Bonds on the terms and conditions set forth in the Ordinance.

1 IN WITNESS WHEREOF, the City has caused this Series 2018 Bond to be
2 executed in its name with the facsimile or manual signature of its Mayor, to be sealed with
3 the facsimile or manual impression of its seal and to be attested with the facsimile or
4 manual signature of its Clerk and Recorder, ex-officio Clerk.

5 CITY AND COUNTY OF DENVER,
6 COLORADO, FOR AND ON BEHALF OF THE
7 WASTEWATER MANAGEMENT DIVISION OF
8 ITS DEPARTMENT OF PUBLIC WORKS
9

10 By: (Facsimile or Manual Signature)
11 Mayor

12 (CITY)
13 (SEAL)

14
15 ATTEST.

16
17 (Facsimile or Manual Signature)
18 Clerk and Recorder, ex-official Clerk

1 CERTIFICATE OF AUTHENTICATION

2 This Series 2018 Bond is issued pursuant to the Ordinance herein described.
3 Attached hereto are the complete texts of the opinions of co-bond counsel, Kutak Rock
4 LLP, Denver, Colorado and Kline Alvarado Veio, P.C., Denver, Colorado, signed copies
5 of which, dated the date of the first delivery of the Series 2018 Bonds herein described,
6 are on file with the undersigned.

7 ZB, National Association dba Zions Bank
8 as registrar

9
10 By: (Manual Signature)
11 Authorized Officer

12 Dated: _____, 2018

1 ABBREVIATIONS

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

- 5 TEN COM - as tenants in common
6 TEN ENT - as tenants by the entireties
7 JT TEN - as joint tenants with the right of survivorship and
8 not as tenants in common
9 UNIF TRANS MIN ACT - _____ Custodian _____
10 (Cust) (Minor)

11 Under Uniform Transfers to Minors Act

12 _____
13 (State)

14 Additional abbreviations may also be used though not on the above list.
15
16
17

1 D. Series 2018 Bonds Equally Secured. The covenants and
2 agreements herein set forth to be performed by the City shall be for the equal benefit,
3 protection and security of the Owners of the Series 2018 Bonds, any Additional Parity
4 Bonds and any Parity Securities then Outstanding, all of which, regardless of the purpose
5 or purposes for which they were issued or the time or times of their maturity, shall be of
6 equal rank without preference, priority or distinction of any of the Series 2018 Bonds, any
7 Additional Parity Bonds and any Parity Securities then Outstanding over any other
8 thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

9 E. Special Obligations; Pledge of Net Pledged Revenues. All of the
10 Series 2018 Bonds, as to all Debt Service Requirements thereof, shall be payable solely
11 out of the Net Pledged Revenues. The Owners of the Series 2018 Bonds may not look
12 to the general fund or any other fund of the City for the payment of the Debt Service
13 Requirements, except the special funds pledged therefor. The Series 2018 Bonds shall
14 not constitute a debt or indebtedness of the City within the meaning of any constitutional,
15 Charter or statutory provision or limitation, and the Series 2018 Bonds shall not be
16 considered or held to be general obligations of the City but shall constitute special and
17 limited obligations of the City. The Series 2018 Bonds are not payable in whole or in part
18 from the proceeds of general property taxes or any other fund of the City except the Net
19 Pledged Revenues, and the full faith and credit of the City is not pledged for payment of
20 the Series 2018 Bonds.

21 The Net Pledged Revenues are hereby pledged to secure the payment of the Debt
22 Service Requirements of the Series 2018 Bonds, and a lien thereon is hereby created to
23 secure the payment thereof, subject to the terms and provisions hereof. Moneys on
24 deposit in the Debt Service Fund and the Construction Fund are hereby pledged to secure
25 the payment of the Debt Service Requirements of the Series 2018 Bonds, and a lien
26 thereon is hereby created to secure the payment thereof, subject to the terms and
27 provisions hereof. This pledge shall be valid and binding from and after the date of the
28 delivery of the Series 2018 Bonds. The creation, perfection, enforcement, and priority of
29 the pledge of revenues to secure or pay the Series 2018 Bonds as provided herein shall
30 be governed by § 11-57-208 of the Supplemental Act and this Ordinance. The revenues
31 pledged for the payment of the Series 2018 Bonds, as received by or otherwise credited

1 to the City, shall immediately be subject to the lien of such pledge without any physical
2 delivery, filing, or further act. The lien of such pledge on the revenues pledged for
3 payment of the Series 2018 Bonds and the obligation to perform the contractual
4 provisions made herein shall have priority over any or all other obligations and liabilities
5 of the City except any Parity Securities heretofore or hereafter authorized. The lien of
6 such pledge shall be valid, binding, and enforceable as against all persons or entities
7 having claims of any kind in tort, contract, or otherwise against the City (except as herein
8 otherwise provided) irrespective of whether such persons or entities have notice of such
9 liens.

10 **Section 4. Approval, Authorization and Amendments.**

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

16 B. The Notice of Sale is hereby approved in substantially the form filed
17 with the Clerk, provided that such Notice of Sale may be completed, corrected or revised
18 as deemed necessary by the Treasurer or the City's Co-Bond Counsel in order to carry
19 out the purposes of this Ordinance. The Treasurer is hereby authorized and directed to
20 cause the Notice of Sale to be distributed to prospective bidders on such Series 2018
21 Bonds.

22 C. The printing, distribution and use of the Preliminary Official
23 Statement in substantially the form on file with the Clerk is hereby approved, with such
24 amendments, additions and deletions as are in accordance with the facts and not
25 inconsistent herewith. The Treasurer is authorized to prepare or cause to be prepared,
26 and the Mayor and the Treasurer are authorized and directed to approve, on behalf of the
27 City, and execute a final Official Statement for use in connection with the offering and
28 sale of the Series 2018 Bonds in substantially the form of the Preliminary Official
29 Statement, but with such amendments, additions and deletions as are in accordance with
30 the facts and not inconsistent herewith. The execution of a final Official Statement by the

1 Mayor and the Treasurer shall be conclusively deemed to evidence the approval of the
2 form and contents thereof by the City.

3 D. The Mayor, the Auditor of the City, the Clerk, the Manager of
4 Finance, ex-officio Treasurer, and other officers and employees of the City are hereby
5 independently authorized and directed to take all action necessary or appropriate to effect
6 the provisions of this Ordinance, including without limiting the generality of the foregoing,
7 executing, attesting, authenticating and delivering for and on behalf of the City the Series
8 2018 Bonds and such other agreements, instruments, certificates and opinions as may
9 be required to implement the transactions contemplated hereby, or as may otherwise be
10 reasonably required by Co-Bond Counsel or the Underwriters, and the taking of such
11 other action in cooperation with Co-Bond Counsel or the Underwriters as they may
12 reasonably request to qualify the Series 2018 Bonds for offer and sale under the securities
13 laws and regulations of such states and other jurisdictions of the United States as the
14 Underwriters may designate.

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

18 **Section 5. Disposition of Bond Proceeds and Income; Funds and**
19 **Accounts Adopted or Created by Ordinance; Security for Series 2018 Bonds.**

20 The proceeds of the Series 2018 Bonds and the Income shall be deposited by the
21 City in the funds and accounts described in this Section 5, to be accounted for in the
22 manner and priority set forth in this Section 5. Neither the Underwriter nor any
23 subsequent Owner of any Series 2018 Bonds shall be in any manner responsible for the
24 application or disposal by the City or by any of its officers, agents and employees of the
25 moneys derived from the sale of the Series 2018 Bonds or of any other moneys
26 designated in this Section 5.

27 A. **Construction Fund.** To the extent that all or a portion of the net
28 proceeds of the Series 2018 Bonds are to be applied to finance the Costs of the Project,
29 as set forth in the Sale Certificate, there shall be deposited in the “Wastewater Enterprise
30 Revenue Bonds, Series 2018, Bond Proceeds Construction Fund” (the “Construction
31 Fund”) hereby created and held by the City such net proceeds of the Series 2018 Bonds

1 as set forth in the Sale Certificate. Such net proceeds so deposited in the Construction
2 Fund shall be maintained, used and withdrawn only as provided in this Section 5A.

3 The proceeds of the Series 2018 Bonds so deposited in the Construction Fund,
4 except as herein otherwise expressly provided, shall be used and paid out from time to
5 time solely for the purpose of paying the Cost of the Project. Any such proceeds
6 remaining in the Construction Fund after completion of the Project, excluding investment
7 earnings that may be required to be deposited in the Rebate Account or rebated to the
8 federal government, shall be deposited in the Debt Service Fund and used for the
9 purposes of the Debt Service Fund or, at the option of the City, may be used to the extent
10 feasible to call and redeem Series 2018 Bonds in advance of maturity.

11 The City shall use any proceeds of the Series 2018 Bonds deposited in the
12 Construction Fund, without further order, to pay the Debt Service Requirements of the
13 Series 2018 Bonds as the same become due whenever and to the extent moneys in the
14 Debt Service Fund or moneys otherwise available therefor are insufficient for that
15 purpose, unless such proceeds shall be needed to defray obligations accrued and to
16 accrue under any contracts then existing and pertaining to the Project. Any moneys so
17 used shall be restored to the Construction Fund from the first Net Pledged Revenues
18 thereafter received and not needed to meet the requirements provided in Section 5E
19 hereof.

20 B. Costs of Issuance Fund. There shall be deposited into the Costs of
21 Issuance Fund hereby created with the Paying Agent and designated as the “Wastewater
22 Enterprise Revenue Bonds, Series 2018, Costs of Issuance Fund” (the “Costs of Issuance
23 Fund”) the amount set forth in the Sale Certificate, which shall be an amount determined
24 by the Mayor or the Treasurer, as the case may be, to be sufficient to pay, together with
25 other funds of the City legally available for said purpose, the costs of issuance for the
26 applicable Series 2018 Bonds. Any amounts on deposit in the Costs of Issuance Fund
27 remaining after the payment of all the costs of issuance of the applicable Series 2018
28 Bonds shall be remitted by the Paying Agent to the City and may, at the option of the
29 Treasurer, be transferred to the Construction Fund and spent on the costs of the Project
30 or used by the City for any lawful purposes thereof. Nothing herein shall preclude
31 payment of Costs of Issuance from the Construction Fund, if necessary.

1 C. Wastewater Management Enterprise Fund. Except as otherwise
2 provided herein, the entire Income, upon receipt thereof from time to time by the City,
3 shall be set aside and credited immediately to the Wastewater Management Enterprise
4 Fund heretofore created pursuant to the Enterprise Ordinance.

5 The Wastewater Management Enterprise Fund shall be administered and the
6 moneys on deposit therein shall be deposited and applied in the following order of priority.

7 (1) First, to the Operation and Maintenance Fund to pay
8 Operation and Maintenance Expenses in the manner set forth in Section 5D hereof;

9 (2) Second, to the Debt Service Fund to pay the Debt Service
10 Requirements of the then Outstanding Series 2018 Bonds, the then Outstanding Series
11 2016 Bonds, the then Outstanding Series 2012 Bonds, and any Additional Parity Bonds
12 secured by the Debt Service Fund in the manner set forth in Section 5E hereof, and, if
13 any separate debt service funds are established in connection with the issuance of the
14 Series 2018 Bonds, and Additional Parity Bonds, there shall be credited or deposited, on
15 a pari passu basis, any amounts necessary to fund any such debt service funds in
16 accordance with the ordinance or other instruments authorizing the Series 2018 Bonds
17 and such Additional Parity Bonds;

18 (3) Third, to any separate reserve funds established in
19 connection with an issuance of Parity Securities and Additional Parity Bonds, including
20 the Series 2012 Bonds, but not the Series 2016 Bonds and Series 2018 Bonds for which
21 there is no reserve fund, there shall be credited or deposited, on a pari passu basis, any
22 amounts necessary to fund or replenish any such reserve funds in accordance with the
23 ordinances or other instruments authorizing such Additional Parity Bonds;

24 (4) Fourth, to the Construction Fund, in the manner set forth in
25 Section 5A hereof, to restore any amounts to the Construction Fund that have been
26 applied to the payment of the Debt Service Requirements of the Series 2018 Bonds;

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

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

1 D. Operation and Maintenance Fund. As a first charge on the
2 Wastewater Management Enterprise Fund, there shall be deposited from time to time in
3 the Operation and Maintenance Fund heretofore created within the Wastewater
4 Management Enterprise Fund moneys sufficient to pay the Operation and Maintenance
5 Expenses of the Storm Drainage Facilities and the Sanitary Sewerage Facilities as they
6 become due and payable, and thereupon the Operation and Maintenance Expenses shall
7 be promptly paid.

8 E. Debt Service Fund. After the payments required by Section 5D have
9 been made in each month, the City shall transfer or credit to the “Wastewater Enterprise
10 Revenue Bonds, Debt Service Fund” (the “Debt Service Fund”) hereby created with the
11 City, from the Net Pledged Revenues, the following amounts:

12 (1) Interest Payments. Monthly, commencing on the date set
13 forth in the Sale Certificate, concurrently on a pari passu basis with any payments
14 required to be made to any separate debt service funds for any Outstanding Series 2016
15 Bonds, Outstanding Series 2012 Bonds, and Additional Parity Bonds hereafter issued, an
16 amount in equal monthly installments necessary, together with any other moneys from
17 time to time available therefor from whatever source, and monthly thereafter,
18 commencing on each Interest Payment Date, one-sixth of the amount necessary,
19 together with any other moneys from time to time available therefor and on deposit therein
20 from whatever source, to pay the next maturing installment of interest on the Series 2018
21 Bonds then Outstanding, the Outstanding Series 2016 Bonds, the Outstanding Series
22 2012 Bonds, and any Additional Parity Bonds secured by the Debt Service Fund.

23 (2) Principal Payments. Monthly, commencing on the date set
24 forth in the Sale Certificate, concurrently on a pari passu basis with any payments
25 required to be made to any separate debt service funds for any Outstanding Series 2016
26 Bonds, any Outstanding Series 2012 Bonds and Additional Parity Bonds hereafter issued,
27 an amount in equal monthly installments necessary, together with any other moneys from
28 time to time available therefor from whatever source, to pay the next installment of
29 principal of the Series 2018 Bonds, any Outstanding Series 2016 Bonds, any Outstanding
30 Series 2012 Bonds, and any Additional Parity Bonds secured by the Debt Service Fund,
31 coming due at maturity or upon mandatory redemption, and monthly thereafter,

1 commencing on each principal payment date, one-twelfth of the amount necessary,
2 together with any other moneys from time to time available therefor and on deposit therein
3 from whatever source, to pay the next installment of principal of the Series 2018 Bonds,
4 any Outstanding Series 2016 Bonds, any Series 2012 Bonds, and any Additional Parity
5 Bonds secured by the Debt Service Fund, coming due at maturity, or upon mandatory
6 redemption.

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

9 (a) Semiannually, on or before three (3) Business Days
10 prior to each Interest Payment Date, an amount which will be sufficient to pay the
11 installment of interest next due on the Series 2018 Bonds, the Series 2016 Bonds, the
12 Series 2012 Bonds, and any Additional Parity Bonds secured by the Debt Service Fund;
13 and

14 (b) Annually, on or before three (3) Business Days prior to
15 each Maturity Date, an amount which will be sufficient to pay the installment of principal
16 or mandatory sinking fund payment next due on the Series 2018 Bonds, the Series 2016
17 Bonds, the Series 2012 Bonds, and any Additional Parity Bonds secured by the Debt
18 Service Fund.

19 At the time of the transfer of such moneys from the Debt Service Fund to the
20 Paying Agent as provided herein, the Paying Agent shall notify the City if the amounts so
21 transferred or deposited (together with any amounts available for such purpose
22 theretofore transferred or on deposit with the Paying Agent) will not be sufficient to pay
23 the installment of principal or interest, or both, as the case may be, next due on the Series
24 2018 Bonds, the Series 2016 Bonds, the Series 2012 Bonds, and any Additional Parity
25 Bonds secured by the Debt Service Fund. If such amounts are not sufficient to make
26 such payments, the Paying Agent shall notify the City of the amount of any deficiency and
27 the additional amount of moneys that are required to be transferred or deposited with the
28 Paying Agent and applied to such payment. The Series 2018 Bonds are not secured by
29 a reserve account.

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

1 shall be used to pay the Debt Service Requirements of the then Outstanding Series 2018
2 Bonds, the then Outstanding Series 2016 Bonds, the then Outstanding Series 2012
3 Bonds, and any Additional Parity Bonds secured by the Debt Service Fund, as such Debt
4 Service Requirements become due, except as otherwise provided in this Ordinance, and
5 are hereby pledged therefor.

6 Nothing herein shall be construed so as to prevent the City from creating separate
7 subaccounts within the Debt Service Fund for the Series 2018 Bonds, the Series 2016
8 Bonds, the Series 2012 Bonds, any Additional Parity Bonds, and any Parity Securities
9 and accounting separately for any deposits made thereto on account of the Series 2018
10 Bonds, the Series 2016 Bonds, the Series 2012 Bonds, any Additional Parity Bonds, and
11 any Parity Securities or from creating separate debt service reserve funds for the Series
12 2012 Bonds, Additional Parity Bonds or any Parity Securities, if such action is deemed by
13 the City to be necessary or desirable, provided that any such separate subaccounts shall
14 have claims to the Net Pledged Revenues equal to and on a parity with those of the other
15 such subaccounts and any such separate debt service fund shall have a claim to the Net
16 Pledged Revenues equal to and on a parity with that of the Debt Service Fund.

17 F. Termination of Deposits. No payment need be made into the Debt
18 Service Fund if the amount of cash and Permitted Investments in the Debt Service Fund,
19 plus the amount on deposit in any separate reserve account established in connection
20 with the issuance of Additional Parity Bonds, total a sum at least equal to the entire
21 amount of the Outstanding Series 2018 Bonds, the Outstanding Series 2016 Bonds,
22 Outstanding Series 2012 Bonds, any Outstanding Additional Parity Bonds, and any
23 Outstanding Parity Securities, as to all Debt Service Requirements, to their respective
24 Maturity Dates or to any Redemption Date or Redemption Dates on which the City shall
25 have exercised or shall have obligated itself to exercise its option to redeem, prior to their
26 respective Maturity Dates, any Series 2018 Bonds, any Series 2016 Bonds, any Series
27 2012 Bonds, any Additional Parity Bonds, and any Parity Securities then Outstanding and
28 thereafter maturing (provided that, solely for the purpose of this Section 5F, there shall
29 be deemed to be a credit to any reserve account any cash or Permitted Investments
30 accounted for in any other fund or account of the City and restricted solely for the purpose
31 of paying the Debt Service Requirements of any Additional Parity Bonds or any other

1 Parity Security), in which case cash or Permitted Investments in the Debt Service Fund
2 and any reserve account in an amount, except for any known interest or other gain to
3 accrue from any investment or deposit of moneys pursuant to Section 6B hereof from the
4 time of any such investment or deposit to the time or respective times the proceeds of
5 any such investment or deposit shall be needed for such payment, at least equal to such
6 Debt Service Requirements, shall be used together with any such gain from such
7 investments and deposits solely to pay such Debt Service Requirements as the same
8 become due. Any moneys in excess thereof in the Debt Service Fund and any other
9 moneys derived from the Income or otherwise pertaining to the Storm Drainage Facilities
10 or the Sanitary Sewerage Facilities may be used in any lawful manner permitted by this
11 Ordinance.

12 G. Payment of Subordinate Securities. After there has been credited or
13 deposited to the Debt Service Fund in the current month the amount required pursuant to
14 Section 5E hereof, and after the restoration of the Construction Fund then required to be
15 made by Section 5A in the current month have been made, any Net Pledged Revenues
16 remaining in the Wastewater Management Enterprise Fund in such month may be used
17 by the City for the payment of Debt Service Requirements of Subordinate Securities
18 payable from the Net Pledged Revenues including reasonable reserves for such
19 Subordinate Securities; but the lien of such subordinate Securities on the Net Pledged
20 Revenues and the pledge thereof for the payment of such Subordinate Securities shall
21 be subordinate to the lien and pledge of the Series 2018 Bonds, any Additional Parity
22 Bonds and any Parity Securities as herein provided.

23 H. Use of Remaining Revenues. After there has been credited or
24 transferred to the Debt Service Fund in the current month the amount required pursuant
25 to Section 5E hereof, after the restoration of the Construction Fund then required to be
26 made by Section 5A in the current month have been made, and after there has been
27 deposited or transferred in the current month all amounts required to pay any Subordinate
28 Securities in such month in accordance with Section 5G hereof and the ordinance or other
29 document authorizing such Subordinate Securities, any remaining Net Pledged
30 Revenues on deposit in the Wastewater Management Enterprise Fund may be used for

1 any combination of lawful purposes pertaining to the Storm Drainage Facilities or the
2 Sanitary Sewerage Facilities.

3 I. Budget and Appropriation of Sums. The sums required to make the
4 payments specified in this Section 5 are hereby appropriated for said purposes. The
5 Treasurer is hereby authorized and directed to pay or cause to be paid the interest on the
6 Series 2018 Bonds as the same becomes due and the principal of the Series 2018 Bonds
7 at maturity or upon prior redemption without further warrant or order. The moneys,
8 proceeds of the Series 2018 Bonds and interest earnings thereon, deposited in the funds
9 and accounts referred to or created herein are hereby appropriated for the purposes of
10 this Section 5. No provisions of any constitution, Charter, statute, ordinance, resolution,
11 or other order or measure enacted after the issuance of the Series 2018 Bonds shall in
12 any manner be construed as limiting or impairing the obligation of the City to keep and
13 perform the covenants contained in this Ordinance so long as any of the Series 2018
14 Bonds remain Outstanding and unpaid.

15 J. Rebate Account. The City shall transfer into a special account
16 hereby created and designated as the "Wastewater Enterprise Revenue Bonds, Series
17 2018, Rebate Account" (the "Rebate Account") the estimated amounts of arbitrage rebate,
18 if any, and penalties, if any, due to the federal government under Sections 103 and 148
19 of the Tax Code and the regulations thereunder relating to the Series 2018 Bonds.
20 Transfer of said amounts shall be made from any or all of the funds or accounts referred
21 to herein, to the extent of funds available therefore, but the required arbitrage rebate
22 payments shall be made to the federal government from any legally available funds if
23 there are no proceeds of the Series 2018 Bonds or investment earnings thereon
24 deposited in the funds or accounts referred to herein available for such purpose. The
25 amounts so transferred shall be such that within sixty (60) days after each computation
26 date selected by the City in accordance with Section 148(f) of the Tax Code and the
27 regulations thereunder the amount in the Rebate Account is at least equal to the greater
28 of (a) the amount that the City estimates is rebatable on account of investment during the
29 applicable period or (b) such other amount as the City deems necessary or prudent to
30 provide for payment of the amount actually rebatable in accordance with Section 148(f)
31 of the Tax Code and the regulations thereunder.

1 The City shall compute the amount actually rebatable as of each installment
2 computation date and pay the United States Treasury 90% thereof within sixty (60) days
3 and the balance, together with interest and penalties, if any, as required by Section 148(f)
4 of the Tax Code and the regulations thereunder, within sixty (60) days after all the Series
5 2018 Bonds have been discharged, provided that computations and payments may be
6 made on other bases, at other times and in other amounts, or omitted altogether, to the
7 extent nationally recognized bond counsel opines that such action will not adversely affect
8 the tax treatment of interest on the Series 2018 Bonds.

9 The City shall hold the Rebate Account separate and apart from all other funds
10 and accounts of the City and shall maintain the Rebate Account until sixty (60) days after
11 all the Series 2018 Bonds have been discharged. The City shall retain the records of the
12 determinations of the amounts required to be deposited in the Rebate Account, of the
13 proceeds of any investments of moneys in the Rebate Account and of the amounts paid
14 to the United States Treasury until the date six (6) years after the discharge of the last of
15 the Series 2018 Bonds.

16 **Section 6. General Administration of Funds and Accounts.**

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

29 B. Investment of Funds. Any moneys in any fund or account described
30 in Section 5 hereof may be invested, reinvested or deposited only in Permitted
31 Investments. Permitted Investments shall either be subject to redemption at any time at

1 face value by the Owner thereof at the option of such Owner or shall mature at such time
2 or times as shall most nearly coincide with the expected need for moneys from the fund
3 or account in question. Permitted Investments so purchased as an investment of moneys
4 in any such fund or account shall be deemed at all times to be a part of the applicable
5 fund or account; provided that (with the exception of the Rebate Account) the interest
6 accruing on such investments and any profit realized therefrom shall be credited to the
7 Wastewater Management Enterprise Fund, and any loss resulting from such investments
8 shall be charged to the particular fund or account in question. Permitted Investments
9 shall be valued by the Treasurer as frequently as deemed necessary, but not less often
10 than quarterly, at the market value thereof, exclusive of accrued interest. The City shall
11 present for redemption or sale on the prevailing market any securities or obligations so
12 purchased as an investment of moneys in a given fund whenever it shall be necessary to
13 do so in order to provide moneys to meet any required payment or transfer from such
14 fund. The City shall not invest any moneys accounted for hereunder if any such
15 investment would contravene the covenant contained in Section 8R hereof.

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

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

25 E. Accelerated Payments Optional. Nothing contained herein prevents
26 the accumulation in any fund or account herein designated of any monetary requirements
27 at a faster rate than the rate or minimum rate, as the case may be, provided therefor, but
28 no payment shall be so accelerated if such acceleration shall cause a default in the
29 payment of any obligation of the City pertaining to the Income.
30

31

1 **Section 7. Priorities; Liens; Issuance of Additional Series 2018 Bonds.**

2 A. First Lien on Net Pledged Revenues; Equality of Series 2018 Bonds.

3 Except as expressly provided in this Ordinance with respect to Additional Parity Bonds,
4 Parity Securities and Subordinate Securities, the Net Pledged Revenues shall be and
5 hereby are irrevocably pledged to pay the Debt Service Requirements of the Series 2018
6 Bonds, subject to the terms and provisions of this Ordinance.

7 The Series 2018 Bonds constitute an irrevocable and first lien (but not an exclusive
8 first lien) upon the Net Pledged Revenues.

9 The Series 2018 Bonds, any Additional Parity Bonds and any Parity Securities
10 issued and from time to time Outstanding are equitably and ratably secured by a lien on
11 the Net Pledged Revenues and shall not be entitled to any priority one over the other in
12 the application of the Net Pledged Revenues regardless of the purpose or purposes for
13 which they were issued or the time or times of the issuance thereof, it being the intention
14 of the City that there shall be no priority among the Series 2018 Bonds, any Additional
15 Parity Bonds and any Parity Securities, regardless of the fact that they may be actually
16 issued and delivered at different times.

17 B. Issuance of Additional Parity Bonds. The City and/or the Enterprise
18 may issue Additional Parity Bonds that are payable from and that have a lien on all or a
19 portion of the Net Pledged Revenues that is on a parity with, but not prior or superior to,
20 the lien thereon of the Series 2018 Bonds and any Parity Securities, upon compliance
21 with the following terms and conditions.

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

25 (2) Historic Revenues Tests. Except as hereinafter provided in
26 the case of Additional Parity Bonds issued for the purpose of refunding less than all of the
27 Series 2018 Bonds and any Parity Securities then Outstanding, the Net Pledged
28 Revenues for the last complete Fiscal Year prior to the issuance of the proposed
29 Additional Parity Bonds, as certified by an Independent Accountant, a Qualified
30 Consultant or the Treasurer, must have been equal to at least one hundred twenty-five
31 percent (125%) of the Combined Average Annual Debt Service Requirements of the

1 Series 2018 Bonds then Outstanding, any Parity Securities then Outstanding, and the
2 Additional Parity Bonds proposed to be issued plus one hundred percent (100%) of all
3 Policy Costs and other similar amounts then due and owing. If any increase in storm
4 drainage or sanitary sewer rates, fees or charges is made by the City during such Fiscal
5 Year or prior to the issuance of such Additional Parity Bonds, the Independent
6 Accountant, Qualified Consultant or Treasurer may adjust the calculation of the Net
7 Pledged Revenues to reflect the amount thereof that would have been received if such
8 rate increase had been in effect throughout such Fiscal Year. In the case of Additional
9 Parity Bonds issued for the purpose of refunding less than all of the Series 2018 Bonds
10 and Parity Securities then Outstanding, compliance with this Section 7B(2) shall not be
11 required so long as the Debt Service Requirements payable on all Series 2018 Bonds
12 and Parity Securities Outstanding after the issuance of such Additional Parity Bonds in
13 each Bond Year does not exceed the Debt Service Requirements payable on all Series
14 2018 Bonds and other Parity Securities Outstanding prior to the issuance of such
15 Additional Parity Bonds in each such Bond Year.

16 (3) Reserve Account. Additional Parity Bonds may be issued that
17 have a lien on all or a portion of the Net Pledged Revenues on a parity with the lien
18 thereon of the Series 2018 Bonds, the Series 2016 Bonds and the Series 2012 Bonds
19 even if no reserve fund is established for such Additional Parity Bonds or a reserve fund
20 is established but with a different requirement as to the amount of moneys (or the value
21 of a reserve fund insurance policy with respect to such Additional Parity Bonds) required
22 to be on deposit therein or the manner in which such reserve fund is funded or the period
23 of time over which such reserve fund is funded. Provided, however, that if a reserve
24 account is to be pledged to the payment of the Debt Service Requirements of such
25 Additional Parity Bonds, it shall be fully funded, and the proceedings under which any
26 such Additional Parity Bonds are issued must provide for the deposit of moneys to the
27 reserve account and contain a covenant to maintain the reserve account in an amount
28 equal to the applicable reserve requirement. The proceedings under which any such
29 Additional Parity Bonds are issued may also provide for the deposit of moneys to a
30 separate reserve account established and maintained for such Additional Parity Bonds
31 on the terms and provisions set forth in such proceedings.

1 C. Certification of Revenues. Where certifications of revenues are
2 required by this Ordinance, the specified and required written certifications of an
3 Independent Accountant, a Qualified Consultant or the Treasurer that revenues are
4 sufficient to pay the required amounts shall be conclusively presumed to be accurate in
5 determining the right to authorize issue, sell and deliver Additional Parity Bonds or Parity
6 Securities.

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

10 E. Superior Securities Prohibited. Neither the City nor the Enterprise
11 shall issue any Superior Bonds or Superior Securities.

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

16 **Section 8. Covenants.**

17 The City hereby particularly covenants and agrees with the Owners of the Series
18 2018 Bonds from time to time, and makes provisions which shall be a part of its contract
19 with such Owners, which covenants and provisions shall be kept by the City continuously
20 until all of the Series 2018 Bonds have been fully paid or discharged.

21 A. Rate Maintenance. The City shall prescribe, revise and collect storm
22 drainage and sanitary sewer rates, fees and charges that shall produce Income sufficient,
23 together with any other moneys legally available therefor and credited to the Wastewater
24 Management Enterprise Fund, to make the payments and accumulations required by this
25 Ordinance and that shall produce Income sufficient, together with all other moneys legally
26 available therefor and credited to the Wastewater Management Enterprise Fund after
27 payment of Operation and Maintenance Expenses, to pay an amount at least equal to
28 one hundred twenty-five percent (125%) of the Combined Average Annual Debt Service
29 Requirements for the Outstanding Series 2018 Bonds and every other issue of
30 Outstanding Additional Parity Bonds or Parity Securities plus any amounts required to
31 meet then existing deficiencies pertaining to any fund or account relating to the Net

1 Pledged Revenues or any securities payable therefrom plus one hundred percent (100%)
2 of all Policy Costs or other similar amounts then due and owing.

3 In the event that Net Pledged Revenues derived from the operation of the Storm
4 Drainage Facilities are insufficient to pay the Operation and Maintenance Expenses of
5 the Storm Drainage Facilities and the Debt Service Requirements of any Series 2018
6 Bonds, any Additional Parity Bonds or any Parity Securities issued to finance or refinance
7 Storm Drainage Facilities and Net Pledged Revenues derived from the Sanitary
8 Sewerage Facilities are actually expended for such Operation and Maintenance
9 Expenses and such Debt Service Requirements, the City shall prescribe, revise and
10 collect storm drainage rates, fees and charges sufficient to replenish to the Wastewater
11 Management Enterprise Fund any Net Pledged Revenues derived from the operation of
12 the Sanitary Sewerage Facilities that were used for such Storm Drainage Facilities
13 purposes.

14 In the event that Net Pledged Revenues derived from the operation of the Sanitary
15 Sewerage Facilities are insufficient to pay the Operation and Maintenance Expenses of
16 the Sanitary Sewerage Facilities and the Debt Service Requirements of any Series 2018
17 Bonds, any Additional Parity Bonds or any Parity Securities issued to finance or refinance
18 Sanitary Sewerage Facilities and Net Pledged Revenues derived from the Storm
19 Drainage Facilities are actually expended for such Operation and Maintenance Expenses
20 and such Debt Service Requirements, the City shall prescribe, revise and collect sanitary
21 sewer rates, fees and charges sufficient to replenish to the Wastewater Management
22 Enterprise Fund any Net Pledged Revenues derived from the operation of the Storm
23 Drainage Facilities that were used for such Sanitary Sewerage Facilities purposes.

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

29 B. Collection of Charges. The City shall cause all storm drainage and
30 sanitary sewer rates, fees and charges to be billed promptly and collected as soon as
31 reasonable, shall prescribe and enforce rules and regulations or impose contractual

1 obligations for the payment thereof, to the end that the Net Pledged Revenues shall be
2 adequate to meet the requirements of this Ordinance and any other ordinance or
3 instrument supplemental thereto. The storm drainage and sanitary sewer rates, fees and
4 charges shall be collected in any lawful manner.

5 C. Performance of Duties. The City, acting by and through its officers,
6 or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties
7 with respect to the Income, the Storm Drainage Facilities and the Sanitary Sewerage
8 Facilities required by the Constitution and laws of the State and the Charter, ordinances,
9 resolutions and contracts of the City, including without limitation the proper segregation
10 of the proceeds of the Series 2018 Bonds and the Income and their application from time
11 to time to the respective funds and accounts provided therefor.

12 D. Costs of Issuance and of Performance. Except as otherwise
13 specifically provided herein, all costs and expenses incurred in connection with the
14 issuance of the Series 2018 Bonds, payment of the Debt Service Requirements of the
15 Series 2018 Bonds, or the performance of or compliance with any covenant or agreement
16 contained in this Ordinance shall be paid exclusively (but only from the appropriate
17 special fund or account in the manner authorized herein) from the proceeds of the Series
18 2018 Bonds, the Net Pledged Revenues, or other legally available moneys of the
19 Enterprise, and in no event shall any of such costs or expenses be required to be paid
20 out of or charged to the general fund of the City.

21 E. Contractual Obligations. The City shall perform all contractual
22 obligations undertaken by it under any agreements relating to the Series 2018 Bonds, the
23 Income, the Storm Drainage Facilities and the Sanitary Sewerage Facilities.

24 F. Further Assurances. At any and all times the City shall, so far as it
25 may be authorized by law, pass, make, do, execute, acknowledge, deliver, and file or
26 record all and every such further instruments, acts, deeds, conveyances, assignments,
27 transfers, other documents, and assurances as may be necessary or desirable for the
28 better assuring, conveying, granting, assigning and confirming all and singular the rights,
29 the Net Pledged Revenues and other funds hereby pledged or assigned, or intended so
30 to be, or which the City may hereafter become bound to pledge or assign, or as may be
31 reasonable and required to carry out the purposes of this Ordinance. The City, acting by

1 and through its officers, or otherwise, shall at all times, to the extent permitted by law,
2 defend, preserve and protect the pledge of the Net Pledged Revenues and other funds
3 and accounts pledged hereunder and all the rights of every Owner of any of the Series
4 2018 Bonds against all claims and demands of all Persons.

5 G. Conditions Precedent. Upon the date of issuance of any of the
6 Series 2018 Bonds, all conditions, acts and things required by the Constitution or laws of
7 the State, the Charter, the City Code, the Enterprise Ordinance, the ordinance authorizing
8 the issuance of the Series 2012 Bonds, the ordinance authorizing the Series 2016 Bonds,
9 the Act, the Supplemental Act and this Ordinance to exist, to have happened, and to have
10 been performed precedent to or in the issuance of the Series 2018 Bonds shall exist,
11 have happened and have been performed, and the Series 2018 Bonds, together with all
12 other obligations of the City, shall not contravene any debt or other limitation prescribed
13 by the Constitution or laws of the State, the Charter, the City Code, the Enterprise
14 Ordinance, the ordinance authorizing the issuance of the Series 2012 Bonds, the
15 ordinance authorizing the Series 2016 Bonds, or the Act.

16 H. Efficient Operation and Maintenance. The City shall at all times
17 operate the Storm Drainage Facilities and the Sanitary Sewerage Facilities properly and
18 in a sound and economical manner. The City shall maintain, preserve and keep the Storm
19 Drainage Facilities and the Sanitary Sewerage Facilities properly or cause the same so
20 to be maintained, preserved, and kept, with the appurtenances and every part and parcel
21 thereof in good repair, working order and condition, and shall from time to time make or
22 cause to be made all necessary and proper repairs, replacements and renewals so that
23 at all times the maintenance of the Storm Drainage Facilities and the Sanitary Sewerage
24 Facilities may be properly and advantageously conducted. All salaries, fees, wages and
25 other compensation paid by the City in connection with the repair, maintenance and
26 operation of the Storm Drainage Facilities and the Sanitary Sewerage Facilities shall be
27 fair and reasonable.

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

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

9 K. Payment of Governmental Charges. The City shall pay or cause to
10 be paid all taxes and assessments or other municipal or governmental charges, if any,
11 lawfully levied or assessed upon or in respect of the Storm Drainage Facilities or the
12 Sanitary Sewerage Facilities, or upon any part thereof, or upon any portion of the Income,
13 when the same shall become due, and shall duly observe and comply with all valid
14 requirements of any municipal or governmental authority relative to the Storm Drainage
15 Facilities or the Sanitary Sewerage Facilities, or any part thereof, except for any period
16 during which the same are being contested in good faith by proper legal proceedings.
17 The City shall not create or suffer to be created any lien or charge upon the Storm
18 Drainage Facilities or the Sanitary Sewerage Facilities, or any part thereof, or upon the
19 Income, except the pledge and lien created by this Ordinance for the payment of the Debt
20 Service Requirements due in connection with the Series 2018 Bonds or any ordinance
21 for the payment of Debt Service Requirements in connection with any Additional Parity
22 Bonds or Parity Securities, and except as herein otherwise permitted. The City shall pay
23 or cause to be discharged or shall make adequate provision to satisfy and to discharge,
24 within ninety (90) days after the same shall become payable, all lawful claims and
25 demands for labor, materials, supplies or other objects that, if unpaid, might by law
26 become a lien upon the Storm Drainage Facilities or the Sanitary Sewerage Facilities, or
27 any part thereof, or the Income, but nothing herein requires the City to pay or to cause to
28 be discharged or to make provision for any such tax, assessment, lien or charge, so long
29 as the validity thereof is contested in good faith and by appropriate legal proceedings.

30 L. Protection of Security. The City and its officers, agents and
31 employees, shall not take any action in such manner or to such extent as might prejudice

1 the security for the payment the Debt Service Requirements of the Series 2018 Bonds
2 and any other securities payable from the Net Pledged Revenues according to the terms
3 thereof. No contract shall be entered into nor any other action taken by which the rights
4 of any Owner of any Series 2018 Bonds or other securities payable from Net Pledged
5 Revenues might be prejudicially and materially impaired or diminished.

6 M. Accumulation of Interest Claims. In order to prevent any
7 accumulation of claims for interest after maturity, the City shall not directly or indirectly
8 extend or assent to the extension of the time for the payment of any claim for interest on
9 any of the Series 2018 Bonds or any other securities payable from the Net Pledged
10 Revenues, and the City shall not directly or indirectly be a party to or approve any
11 arrangements for any such extension or for the purpose of keeping alive any of such
12 claims for interest. If the time for the payment of any such installment of interest is
13 extended in contravention of the foregoing provisions, such installment or installments of
14 interest after such extension or arrangement shall not be entitled in case of default
15 hereunder to the benefit or the security of this Ordinance, except upon the prior payment
16 in full of the principal of all of the Series 2018 Bonds and any such securities the payment
17 of which has not been extended.

18 N. Prompt Payment of Series 2018 Bonds. The City shall promptly pay
19 the Debt Service Requirements of every Series 2018 Bond on the dates and in the
20 manner specified herein and in the Series 2018 Bonds according to the true intent and
21 meaning hereof.

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

25 P. Additional Securities. Neither the City nor the Enterprise shall
26 hereafter issue any bonds or securities payable from the Net Pledged Revenues, other
27 than the Series 2018 Bonds, without compliance with the requirements with respect to
28 the issuance of Additional Parity Bonds or other securities set forth herein to the extent
29 applicable.

30 Q. Other Liens. There are no liens or encumbrances of any nature
31 whatsoever on or against the Storm Drainage Facilities or the Sanitary Sewerage

1 Facilities, or any part thereof, or on or against the Net Pledged Revenues, except as
2 permitted hereby.

3 R. Tax Covenant. The City covenants for the benefit of the registered
4 owners of the Series 2018 Bonds that it will not take any action or omit to take any action
5 with respect to the Series 2018 Bonds, the proceeds thereof, any other funds of the City
6 or any facilities financed or refinanced with the proceeds of the Series 2018 Bonds if such
7 action or omission (i) would cause the interest on the Series 2018 Bonds to lose its
8 exclusion from gross income for federal income tax purposes under Section 103 of the
9 Tax Code, (ii) would cause interest on the Series 2018 Bonds to lose its exclusion from
10 alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code
11 (subject to the inclusion of such interest in “adjusted current earnings” for taxable years
12 beginning before January 1, 2018, in computing alternative minimum tax imposed on
13 certain corporations), or (iii) would cause interest on the Series 2018 Bonds to lose its
14 exclusion from Colorado taxable income or Colorado alternative minimum taxable income
15 under present Colorado law. The foregoing covenant shall remain in full force and effect
16 notwithstanding the payment in full or defeasance of the Series 2018 Bonds until the date
17 on which all obligations of the City in fulfilling the above covenant under the Tax Code
18 and Colorado law have been met. The City is hereby authorized to execute a certificate
19 in implementation of the foregoing covenants, and the representations and agreements
20 set forth therein shall be deemed the representations and agreements of City, as if the
21 same were set forth herein.

22 S. Disposal of Facilities Prohibited. Subject to Section 8T hereof,
23 except for the disposal of Storm Drainage Facilities or Sanitary Sewerage Facilities in the
24 normal course of business, neither all nor a substantial part of the Storm Drainage
25 Facilities or the Sanitary Sewerage Facilities shall be sold, mortgaged, pledged,
26 encumbered, alienated or otherwise disposed of until all of the Series 2018 Bonds have
27 been paid in full or provision has been made therefor and the pledge of the Net Pledged
28 Revenues has been terminated as herein authorized. Subject to Section 8T hereof, the
29 City shall not dispose of its title to the Storm Drainage Facilities or the Sanitary Sewerage
30 Facilities, or to any useful part thereof, including any property necessary to the operation
31 and use of the Storm Drainage Facilities or the Sanitary Sewerage Facilities or the lands

1 and interests in lands comprising the Storm Drainage Facilities or the Sanitary Sewage
2 Facilities.

3 T. Disposal of Property. No part of the Storm Drainage Facilities or the
4 Sanitary Sewerage Facilities shall be sold, leased, mortgaged, pledged, encumbered or
5 otherwise disposed of or otherwise alienated until all of the Series 2018 Bonds have been
6 paid in full or provision has been made therefor; provided, however, that the City may sell,
7 exchange or lease at any time and from time to time any property or facilities constituting
8 part of the Storm Drainage Facilities or the Sanitary Sewerage Facilities and not needed
9 in the operation thereof or not required for the maintenance of the Income; but any
10 proceeds of any such sale or exchange received and not used to replace such property
11 so sold or exchanged shall be deposited in the Wastewater Management Enterprise
12 Fund, and any proceeds of any such lease received shall be deposited by the City as
13 Income.

14 U. Loss from Condemnation. If any part of the Storm Drainage Facilities
15 or the Sanitary Sewerage Facilities is taken by the exercise of a power of eminent domain,
16 the amount of any award received by the City as a result of such taking shall be expended
17 upon the Improvement of the Storm Drainage Facilities or the Sanitary Sewerage
18 Facilities, as the case may be, or shall be applied to the redemption of the Outstanding
19 Series 2018 Bonds, any Outstanding Additional Parity Bonds and any other Outstanding
20 Parity Securities in accordance with the provisions hereof and of any other instrument
21 pertaining to the issuance of any such Parity Securities at maturity or prior thereto if the
22 authorizing ordinances or resolutions authorize the prior redemption of such securities, or
23 shall be deposited in the Wastewater Management Enterprise Fund and held as a reserve
24 for expenditure subsequently upon such capital improvements, or any combination
25 thereof.

26 V. Inspection of Records. Any Owner of any of the Series 2018 Bonds
27 or any other securities payable from the Net Pledged Revenues, any duly authorized
28 agent or agents of such Owner and the Underwriter shall have the right at all reasonable
29 times to inspect all records, accounts and data concerning the Storm Drainage Facilities,
30 the Sanitary Sewerage Facilities or the Income, to make copies of such records, accounts

1 and data at the expense of the Owner or the Underwriter and to inspect the Storm
2 Drainage Facilities, the Sanitary Sewerage Facilities and properties comprising the same.

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

8 X. Insurance and Reconstruction. Except to the extent that the City
9 elects to insure itself, the City shall at all times maintain with responsible insurers all such
10 insurance reasonably required and obtainable within limits and at costs deemed
11 reasonable by the City as is customarily maintained with respect to storm drainage
12 facilities and sanitary sewerage facilities of like character against loss of or damage to the
13 Storm Drainage Facilities or the Sanitary Sewerage Facilities and against public and other
14 liability to the extent at least reasonably necessary to protect the interest of the City and
15 of each Owner of Series 2018 Bonds or any other Security payable from the Net Pledged
16 Revenues, except as herein otherwise provided. If any useful part of the Storm Drainage
17 Facilities or the Sanitary Sewerage Facilities shall be damaged or destroyed, the City
18 shall, as expeditiously as possible, commence and diligently proceed with the repair or
19 replacement of the damaged or destroyed property so as to restore the same to use. The
20 proceeds of any insurance appertaining to the Storm Drainage Facilities or the Sanitary
21 Sewerage Facilities shall be payable to the City and (except for proceeds of use and
22 occupancy insurance) shall be applied to the necessary costs involved in such repair and
23 replacement, and to the extent not so applied shall (together with the proceeds of any
24 such use and occupancy insurance) be deposited in the Wastewater Management
25 Enterprise Fund as Income. If the costs of such repair and replacement of the damaged
26 or destroyed property exceed the proceeds of such property insurance available for
27 payment of the same, moneys in the Wastewater Management Enterprise Fund shall be
28 used to the extent necessary for such purpose.

29 Y. Completion of Project; Estimated Life. The City, using the proceeds
30 derived from the sale of the Series 2018 Bonds and any other legally available moneys,
31 including the proceeds derived from the issuance of Additional Parity Bonds and other

1 Parity Securities, shall cause the Project to be completed without delay to the best of its
2 ability and with due diligence, as herein provided. The Council hereby finds that the
3 maturity of the Series 2018 Bonds does not exceed the estimated life of the Storm
4 Drainage Facilities and Sanitary Sewerage Facilities being financed with the proceeds of
5 the Series 2018 Bonds.

6 Z. Continuing Disclosure. The City shall comply with the provisions of
7 the Continuing Disclosure Undertaking. Any failure by the City to perform in accordance
8 with this provision shall not constitute an Event of Default under this Ordinance, and the
9 rights and remedies provided by this Ordinance upon the occurrence of an Event of
10 Default shall not apply to any such failure. The Paying Agent shall not have any power
11 or duty to enforce this Section 8Z. No Owner of a Series 2018 Bond shall be entitled to
12 damages for the City's non-compliance with its obligations under this Section 8Z;
13 however, the Owners of the Series 2018 Bonds may enforce specific performance of the
14 obligations contained in this Section 8Z by any judicial proceeding available.

15 **Section 9.** Defeasance.

16 When all Debt Service Requirements of the Series 2018 Bonds have been duly
17 paid, the pledge and lien and all obligations hereunder shall thereby be discharged and
18 the Series 2018 Bonds shall no longer be deemed to be Outstanding within the meaning
19 of this Ordinance. There shall be deemed to be such due payment when the City has
20 placed in escrow or in trust with an Insured Bank, located within or without the State,
21 moneys or Federal Securities, or both, in an amount sufficient (including the known
22 minimum yield available for such purpose from Federal Securities in which such amount
23 wholly or in part may be initially invested) to pay all Debt Service Requirements of the
24 Series 2018 Bonds as the same become due. The Federal Securities shall become due
25 prior to the respective times at which the proceeds thereof shall be needed, in accordance
26 with a schedule established and agreed upon between the City and such bank at the time
27 of the creation of the escrow or trust, or the Federal Securities shall be subject to
28 redemption at the option of the Owner thereof to assure such availability as so needed to
29 meet such schedule. Nothing herein shall be construed to prohibit a partial defeasance
30 of the Outstanding Series 2018 Bonds in accordance with the provisions of this Section
31 9.

1 Pursuant to Section 2.2.4 of the City Charter, the Treasurer is hereby authorized
2 and designated to execute an escrow agreement and any other documents related to the
3 defeasance of all or a portion of the Series 2018 Bonds on behalf of the City.

4 **Section 10. Default Provisions and Remedies of Bond Owners.**

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

7 (1) Nonpayment of Principal. Payment of the principal of any of
8 the Series 2018 Bonds is not made when the same becomes due and payable, either at
9 maturity or by proceedings for prior redemption, or otherwise;

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

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

14 (4) Nonperformance of Duties. The City shall have failed to carry
15 out and to perform (or in good faith to begin the performance of) all acts and things lawfully
16 required to be carried out or to be performed by it under any contract relating to the
17 Income, the Storm Drainage Facilities, the Sanitary Sewerage Facilities or otherwise,
18 including, without limitation, this Ordinance, and such failure shall continue for sixty (60)
19 days after receipt of notice from the Owners of twenty-five percent (25%) in aggregate
20 principal amount of the Series 2018 Bonds then Outstanding; provided that if such failure
21 cannot be cured within such sixty (60) days and if during that period corrective action has
22 commenced to remedy such failure and subsequently is diligently pursued by the City to
23 the completion of such performance, an Event of Default shall not be deemed to have
24 occurred;

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

1 (6) Appointment of Receiver. An order or decree is entered by a
2 court of competent jurisdiction, with the consent or acquiescence of the City, appointing
3 a receiver or receivers for the Storm Drainage Facilities or the Sanitary Sewerage
4 Facilities or for the Income and any other moneys subject to the lien to secure the
5 payment of the Series 2018 Bonds, or both the Storm Drainage Facilities and the Sanitary
6 Sewerage Facilities and such moneys, or if any order or decree, having been entered
7 without the consent or acquiescence of the City, is not vacated or discharged or stayed
8 on appeal within sixty (60) days after entry;

9 (7) Default of Any Provision. The City makes any default in the
10 due and punctual performance of any other of the representations, covenants, conditions,
11 agreements and other provisions contained in the Series 2018 Bonds or in this Ordinance
12 on its part to be performed, and if such default continues for sixty (60) days after written
13 notice, specifying such default and requiring the same to be remedied, is given to the City
14 by the Owners of twenty-five percent (25%) in aggregate principal amount of the Series
15 2018 Bonds then Outstanding; provided that if such default cannot be cured within such
16 sixty (60) days and if during that period corrective action has commenced to remedy such
17 default and subsequently is diligently pursued to the completion of such performance, an
18 Event of Default shall not be deemed to have occurred.

19 B. Remedies for Defaults. Upon the happening and continuance of any
20 of the Events of Default, as provided in Section 10A hereof, then and in every case the
21 Owner or Owners of not less than twenty-five percent (25%) in aggregate principal
22 amount of the Series 2018 Bonds then Outstanding, including, without limitation, a trustee
23 or trustees therefor, may proceed against the City and its agents, officers and employees
24 to protect and to enforce the rights of any Owner of Series 2018 Bonds under this
25 Ordinance by mandatory injunction or by other suit, action, or special proceedings in
26 equity or at law, in any court of competent jurisdiction, either for the appointment of a
27 receiver or an operating trustee or for the specific performance of any covenant or
28 agreement contained herein or for any proper legal or equitable remedy as such Owner
29 or Owners may deem most effectual to protect and to enforce the rights aforesaid, or
30 thereby to enjoin any act or thing which may be unlawful or in violation of any right of any
31 Owner of any Series 2018 Bond, or to require the City to act as if it were the trustee of an

1 expressed trust, or any combination of such remedies, or as otherwise may be authorized
2 by any statute or other provision of law. All such proceedings at law or in equity shall be
3 instituted, had and maintained for the equal benefit of all Owners of the Series 2018
4 Bonds, any Additional Parity Bonds and any Parity Securities then Outstanding. Any
5 receiver or operating trustee appointed in any proceedings to protect the rights of such
6 Owners hereunder may collect, receive and apply all Income arising after the appointment
7 of such receiver or operating trustee in the same manner as the City itself might do. The
8 consent to any such appointment is hereby expressly granted by the City.
9 Notwithstanding the foregoing or any other applicable provision of law, no Event of Default
10 shall result in acceleration of any obligation of the City represented by the Series 2018
11 Bonds.

12 C. Rights and Privileges Cumulative. The failure of any Owner of any
13 Outstanding Series 2018 Bond to proceed in any manner herein provided shall not relieve
14 the City or any of its officers, agents or employees of any liability for failure to perform to
15 carry out any duty, obligation or other commitment. Each right or privilege of any such
16 Owner or trustee therefor is in addition and is cumulative to any other right or privilege,
17 and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed
18 a waiver of any other right or privilege thereof. Each Owner of any Series 2018 Bond
19 shall be entitled to all of the privileges, rights and remedies provided or permitted in this
20 Ordinance and as otherwise provided or permitted by law or in equity or by statute, except
21 as provided in Sections 12A and 12B hereof, and subject to the applicable provisions
22 concerning the Income and the proceeds of the Series 2018 Bonds. Nothing herein
23 affects or impairs the right of any Owner of any Series 2018 Bond to enforce the payment
24 of the Debt Service Requirements due in connection with such Series 2018 Bond or the
25 obligation of the City to pay the Debt Service Requirements of each Series 2018 Bond to
26 the Owner thereof at the time and the place expressed in such Series 2018 Bond.

27 D. Duties Upon Default. Upon the happening of any of the Events of
28 Default as provided in Section 10A hereof, the City, in addition, will do and perform all
29 proper acts on behalf of and for the Owners of the Outstanding Series 2018 Bonds to
30 protect and to preserve the security created for the payment of their Series 2018 Bonds
31 and to insure the payment of the Debt Service Requirements of the Series 2018 Bonds

1 promptly as the same become due. During any period of default, so long as any of the
2 Series 2018 Bonds, as to any Debt Service Requirements, are Outstanding, except to the
3 extent it may be unlawful to do so, all Net Pledged Revenues shall be paid into the Debt
4 Service Fund on an equitable and prorated basis, and used for the purposes therein
5 provided. If the City fails or refuses to proceed as in this Section 10D provided, the Owner
6 or Owners of not less than twenty-five percent (25%) in aggregate principal amount of the
7 Series 2018 Bonds then Outstanding, after demand in writing, may proceed to protect
8 and to enforce the rights of the Owners of the Series 2018 Bonds as hereinabove
9 provided; and to that end any such Owners of Outstanding Series 2018 Bonds shall be
10 subrogated to all rights of the City under any agreement or contract involving the Net
11 Pledged Revenues entered into prior to the effective date of this Ordinance or thereafter
12 while any of the Series 2018 Bonds are Outstanding. Nothing herein requires the City to
13 proceed as provided herein if it determines in good faith and without any abuse of its
14 discretion that if it so proceeds it is more likely than not to incur a net loss rather than a
15 net gain or such action is likely to affect materially and prejudicially the Owners of the
16 Outstanding Series 2018 Bonds and any Outstanding Parity Securities.

17 E. Evidence of Security Owners. Any request, consent or other
18 instrument which this Ordinance may require or may permit to be signed and to be
19 executed by the Owner of any Series 2018 Bonds or other securities may be in one
20 instrument or more than one instrument of similar tenor and shall be signed or may be
21 executed by each Owner in person or by his attorney appointed in writing. Proof of the
22 execution of any such instrument or of any instrument appointing any such attorney, or
23 the ownership by any Person of the securities, shall be sufficient for any purpose of this
24 Ordinance (except as otherwise herein expressly provided) if made in the following
25 manner:

26 (1) Proof of Execution. The fact and the date of the execution by
27 any Owner of any Series 2018 Bonds or other securities or his attorney of such instrument
28 may be proved by the certificate, which need not be acknowledged or verified, of any
29 officer of a bank or trust company satisfactory to the Clerk or of any notary public or other
30 officer authorized to take acknowledgments of deeds to be recorded in the state in which
31 he purports to act, that the individual signing such request or other instrument

1 acknowledged to him the execution, duly sworn to before such notary public or other
2 officer; the authority of the individual or individuals executing any such instrument on
3 behalf of a corporate Owner of any securities may be established without further proof if
4 such instrument is signed by an individual purporting to be the president or vice-president
5 of such corporation with the corporate seal affixed and attested by an individual purporting
6 to be its secretary or an assistant secretary; and the authority of any Person or Persons
7 executing any such instrument in any fiduciary or representative capacity may be
8 established without further proof if such instrument is signed by a Person or Persons
9 purporting to act in such fiduciary or representative capacity; and

10 (2) Proof of Ownership. The amount of Series 2018 Bonds
11 owned by any Person executing any instrument as an Owner of Series 2018 Bonds, and
12 the numbers, date and other identification thereof, together with the date of his ownership
13 of the Series 2018 Bonds, shall be determined from the registration books of the City.
14 The amount of other securities, if applicable, owned by any Person executing any
15 instrument as an owner of such securities, and the numbers, date and other identification
16 thereof, together with the date of their ownership, if in bearer form, may be proved by a
17 certificate which need not be acknowledged or verified, in form satisfactory to the Clerk,
18 executed by a member of a financial firm or by an officer of a bank or trust company,
19 insurance company or financial corporation or other depository satisfactory to the Clerk,
20 or by any notary public or other officer authorized to take acknowledgments of deeds to
21 be recorded in the state in which they purport to act, showing at the date therein
22 mentioned that such Person exhibited to such member, officer, notary public or other
23 officer so authorized to take acknowledgments of deeds or had on deposit with such
24 depository the securities described in such certificate or, if in registered form shall be
25 determined from the related registration books; but the Clerk may nevertheless in his or
26 her discretion require further or other proof in cases where he or she deems the same
27 advisable.

28 F. Warranty Upon Issuance of Series 2018 Bonds. Any of the Series
29 2018 Bonds as herein provided, when duly executed and registered for the purposes
30 provided for in this Ordinance, shall constitute a warranty by and on behalf of the City for
31 the benefit of each and every future Owner of any of the Series 2018 Bonds that the

1 Series 2018 Bonds have been issued for a valuable consideration in full conformity with
2 law.

3 **Section 11. Amendment of Ordinance.**

4 A. Amendment of Ordinance Not Requiring Consent of Bond Owners. The
5 City may, without the consent of, or notice to, the Owners of the Series 2018 Bonds, adopt
6 such ordinances supplemental hereto (which amendments shall thereafter form a part
7 hereof) for any one or more or all of the following purposes:

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

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

12 (3) To designate a trustee for the Owners of the Series 2018 Bonds, to
13 transfer custody and control of the Income to such trustee, and to provide for the rights
14 and obligations of such trustee;

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

17 (5) To pledge additional revenues, properties or collateral to the
18 payment of the Series 2018 Bonds;

19 (6) To cause this Ordinance to comply with the Trust Indenture Act of
20 1939, as amended from time to time; or

21 (7) To effect any such other changes hereto which do not in the opinion
22 of nationally recognized bond counsel materially adversely affect the interests of the
23 Owners of the Series 2018 Bonds.

24 B. Amendment of Ordinance Requiring Consent of Bond Owners.

25 Exclusive of the amendatory ordinances covered by Section 11A hereof, this Ordinance
26 may be amended or modified by ordinances or other instruments duly adopted by the
27 City, without receipt by it of any additional consideration, but with the written consent of
28 the Owners of sixty-six percent (66%) in aggregate principal amount of the Series 2018
29 Bonds then Outstanding at the time of the adoption of such amendatory ordinance,
30 provided, however, that without the consent of the Owner of every Series 2018 Bond
31 adversely affected thereby no such amendatory ordinance shall permit:

1 (1) Changing Payment. A change in the maturity or in the terms of
2 redemption of the principal of any Outstanding Series 2018 Bond or any interest thereon;
3 or

4 (2) Reducing Return. A reduction in the principal amount of any Series
5 2018 Bond or the rate of interest thereon without the consent of the Owner of the Series
6 2018 Bond; or

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

9 (4) Modifying Amendment Terms. A reduction of the principal amount
10 or percentages of Series 2018 Bonds, or any modification otherwise affecting the
11 description of Series 2018 Bonds, otherwise changing the consent of the Owners of
12 Series 2018 Bonds, which may be required herein for any amendment hereto; or

13 (5) Priorities Between Series 2018 Bonds. The establishment of
14 priorities as between Series 2018 Bonds issued and Outstanding under the provisions of
15 this Ordinance; or

16 (6) Partial Modification. Any modifications otherwise materially and
17 prejudicially affecting the rights or privileges of the Owners of less than all of the Series
18 2018 Bonds then Outstanding.

19 Whenever the City proposes to amend or modify this Ordinance under the
20 provisions of this Section 11B it shall give notice of the proposed amendment by mailing
21 such notice to all Owners of Series 2018 Bonds at the addresses appearing on the
22 registration books of the City. Such notice shall briefly set forth the nature of the proposed
23 amendment and shall state that a copy of the proposed amendatory ordinance or other
24 instrument is on file in the office of the Clerk for public inspection.

25 C. Time for and Consent to Amendment. Whenever at any time within
26 one (1) year from the date of the completion of the notice required to be given by Section
27 11B hereof there shall be filed in the office of the Clerk an instrument or instruments
28 executed by the Owners of at least sixty-six percent (66%) in aggregate principal amount
29 of the Series 2018 Bonds then Outstanding, which instrument or instruments shall refer
30 to the proposed amendatory ordinance or other instrument described in such notice and
31 shall specifically consent to and approve the adoption of such ordinance or other

1 instrument, thereupon, but not otherwise, the Council may adopt such amendatory
2 ordinance or instrument and such ordinance or instrument shall become effective. If the
3 Owners of at least sixty-six percent (66%) in aggregate principal amount of the Series
4 2018 Bonds then Outstanding, at the time of the adoption of such amendatory ordinance
5 or instrument, or the predecessors in title of such Owners, shall have consented to and
6 approved the adoption thereof as herein provided, no Owner of any Series 2018 Bond
7 whether or not such Owner shall have consented to or shall have revoked any consent
8 as herein provided shall have any right or interest to object to the adoption of such
9 amendatory ordinance or other instrument or to object to any of the terms or provisions
10 therein contained or to the operation thereof or to enjoin or restrain the City from taking
11 any action pursuant to the provisions thereof. Any consent given by the Owner of a Series
12 2018 Bond pursuant to the provisions thereof shall be irrevocable for a period of six (6)
13 months from the date of the completion of the notice above provided for and shall be
14 conclusive and binding upon all future Owners of the same Series 2018 Bond during such
15 period. Such consent may be revoked at any time after six months from the completion
16 of such notice, by the Owner who gave such consent or by a successor in title, by filing
17 notice of such revocation with the Clerk, but such revocation shall not be effective if the
18 Owners of sixty-six percent (66%) in aggregate principal amount of the Series 2018
19 Bonds outstanding as herein provided, prior to the attempted revocation, shall have
20 consented to and approved the amendatory instrument referred to in such revocation.

21 D. Unanimous Consent. Notwithstanding anything in the foregoing
22 provisions contained, the terms and the provisions of this Ordinance, or of any ordinance
23 or instrument amendatory thereof, and the rights and the obligations of the City and of the
24 Owners of the Series 2018 Bonds may be modified or amended in any respect upon the
25 adoption by the City and upon the filing with the Clerk of an instrument to that effect and
26 with the consent of the Owners of all the then Outstanding Series 2018 Bonds, such
27 consent to be given in the manner provided in Section 11C hereof; and no notice to
28 Owners of Series 2018 Bonds shall be required as provided in Section 11B hereof, nor
29 shall the time of consent be limited except as may be provided in such consent.

30 E. Exclusion of Series 2018 Bonds. At the time of any consent or of
31 other action taken hereunder the City shall furnish to the Clerk a certificate, upon which

1 the Clerk may rely, describing all Series 2018 Bonds to be excluded for the purpose of
2 consent or of other action or any calculation of Outstanding Series 2018 Bonds provided
3 for hereunder, and, with respect to such excluded Series 2018 Bonds, the City shall not
4 be entitled or required with respect to such Series 2018 Bonds to give or obtain any
5 consent or to take any other action provided for hereunder.

6 F. Notation on Series 2018 Bonds. Any of the Series 2018 Bonds
7 delivered after the effective date of any action taken as provided in Section 11B, or Series
8 2018 Bonds Outstanding at the effective date of such action, may bear a notation thereon
9 by endorsement or otherwise in form approved by the Council as to such action; and if
10 any such Series 2018 Bonds so executed and delivered after such date does not bear
11 such notation, then upon demand of the Owner of any Bond Outstanding at such effective
12 date and upon presentation of his Bond for such purpose at the office of the Transfer
13 Agent, suitable notation shall be made on such Bond by the Transfer Agent as to any
14 such action. If the Transfer Agent so determines, new Series 2018 Bonds so modified as
15 in the opinion of the Transfer Agent to conform to such action shall be prepared, executed
16 and delivered; and upon demand of the Owner of any Bond then Outstanding, shall be
17 exchanged without cost to such Owner for Series 2018 Bonds then Outstanding upon
18 surrender of such Outstanding Series 2018 Bonds.

19 G. Proof of Instruments and Series 2018 Bonds. The fact and date of
20 execution of any instrument under the provisions of this Section 11, the amount and
21 number of the Series 2018 Bonds owned by any Person executing such instrument, and
22 the date of their registering the same may be proved as provided by Section 10E hereof.

23 **Section 12.** Miscellaneous.

24 A. Character of Agreement. None of the covenants, agreements,
25 representations, or warranties contained herein or in the Series 2018 Bonds shall ever
26 impose or shall be construed as imposing any liability, obligation, or charge against the
27 City (except for the special funds pledged therefor) or against the general credit of the
28 City payable out of general funds or out of any funds derived from general property taxes.

29 B. No Pledge of Property. The payment of the Series 2018 Bonds is
30 not secured by an encumbrance, mortgage or other pledge of property of the City except
31 for the Net Pledged Revenues. No property of the City or the Enterprise, except the Net

1 Pledged Revenues, is pledged for the payment of the Series 2018 Bonds or shall be liable
2 to be forfeited to taken in payment of the Series 2018 Bonds.

3 C. Limitation of Actions. Pursuant to Section 11-57-212 of the
4 Supplemental Act, no legal or equitable action brought with respect to any legislative acts
5 or proceedings of the City in connection with the authorization or issuance of the Series
6 2018 Bonds, including but not limited to the adoption of this Ordinance, shall be
7 commenced more than thirty days after the authorization of the Series 2018 Bonds.

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

11 (1) The preparation, execution and delivery of the Series 2018
12 Bonds upon receipt of the applicable purchase price thereof;

13 (2) The execution and delivery of a Sale Certificate, the Paying
14 Agent Agreement and the Continuing Disclosure Undertaking and such certificates as
15 may be reasonably required by the City's Co-Bond Counsel or Underwriters, relating,
16 among other matters, to:

17 (a) The signing of the Series 2018 Bonds;

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

19 (c) The exclusion from gross income of interest on the
20 Series 2018 Bonds for federal and State income tax purposes;

21 (d) The delivery of the Series 2018 Bonds and the receipt
22 of the purchase price; and

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

25 (3) The assembly and dissemination of financial and other
26 information concerning the City and the Series 2018 Bonds in connection with the sale
27 and the marketing of the Series 2018 Bonds, including the Notice of Sale, the Preliminary
28 Official and the Official Statement; and

29 (4) The sale and issuance of the Series 2018 Bonds in
30 accordance with the provisions of the Sale Certificate, the Notice of Sale and this
31 Ordinance.

1 E. Successors. All of the covenants, stipulations, obligations, and
2 agreements by or on behalf of and other provisions for the benefit of the City or the
3 Enterprise contained herein shall bind and inure to the benefit of any successors of the
4 City and shall bind and inure to the benefit of any officer, board, district, commission,
5 authority, agent, or instrumentality to whom or to which there shall be transferred by or in
6 accordance with law any right, power, or duty of the City or the Enterprise or their
7 respective successors, if any, the possession of which is necessary or appropriate in
8 order to comply with any such covenants, stipulations, obligations, agreements or other
9 provisions hereof.

10 F. Rights and Immunities. Except as herein otherwise expressly
11 provided, nothing herein expressed or implied is intended or shall be construed to confer
12 upon or to give to any Person, other than the City and the Owners from time to time of
13 the Series 2018 Bonds, any right, remedy or claim under or by reason hereof or any
14 covenant, condition or stipulation hereof. All the covenants, stipulations, promises and
15 agreements herein contained by and on behalf of the City shall be for the sole and
16 exclusive benefit of the City and any Owner of any of the Series 2018 Bonds.

17 G. No Recourse Against Officers or Agents. Pursuant to § 11-57-209
18 of the Supplemental Act, if a member of the Council, or any officer or agent of the City
19 acts in good faith, no civil recourse shall be available against such Council member,
20 officer, or agent for payment of the principal or interest on the Series 2018 Bonds. Such
21 recourse shall not be available either directly or indirectly through the Council or the City,
22 or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of
23 penalty, or otherwise. By the acceptance of the Series 2018 Bonds and as a part of the
24 consideration of their sale or purchase, any person purchasing or selling such Series
25 2018 Bonds specifically waives any such recourse.

26 H. Ordinance Irrepealable. This Ordinance is, and shall constitute, a
27 legislative measure of the City and after any of the Series 2018 Bonds are issued, this
28 Ordinance shall constitute an irrevocable contract between the City and the Owner or
29 Owners of the Series 2018 Bonds, and this Ordinance, subject to the provisions of
30 Sections 9 and 11 hereof, if any Series 2018 Bonds are in fact issued, shall be and shall

1 remain irrevocable until the Series 2018 Bonds, as to all Debt Service Requirements,
2 shall be fully paid or discharged.

3 I. Statutory Limitations Met. The Council hereby determines that the
4 provisions and limitations of any applicable law imposed on the issuance of the Series
5 2018 Bonds have been met.

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

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

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

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

15

16

1 COMMITTEE APPROVAL DATE: January 9, 2018
2 MAYOR-COUNCIL DATE: January 16, 2018
3 PASSED BY THE COUNCIL: _____ January 29, 2018
4 Al Bork _____ - PRESIDENT
5 APPROVED: [Signature] _____ - MAYOR Jan 30, 2018
6 ATTEST: _____ - CLERK AND RECORDER,
7 EX-OFFICIO CLERK OF THE
8 CITY AND COUNTY OF DENVER
9 NOTICE PUBLISHED IN THE DAILY JOURNAL: _____; _____
10 PREPARED BY: KUTAK ROCK LLP AND KLINE ALVARADO VEIO, P.C.
11 DATE: January 18, 2018

12 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed
13 by the office of the City Attorney. We find no irregularity as to form, and have no legal
14 objection to the proposed ordinance. The proposed ordinance is not submitted to the City
15 Council for approval pursuant to § 3.2.6 of the Charter.
16

17 Kristin M. Bronson, Denver City Attorney
18 BY: Kristin M. Bronson, Assistant City Attorney DATE: Jan 18, 2018
19
20