

**NOTICE OF PUBLIC SALE**

**\$47,235,000\***  
**CITY AND COUNTY OF DENVER, COLORADO**  
**FOR AND ON BEHALF OF**  
**THE WASTEWATER MANAGEMENT DIVISION**  
**OF THE DEPARTMENT OF PUBLIC WORKS,**  
**WASTEWATER ENTERPRISE REVENUE BONDS**  
**SERIES 2012**

PUBLIC NOTICE IS HEREBY GIVEN that the Manager of Finance, ex officio Treasurer (the "Treasurer"), of the City and County of Denver, Colorado, for and on behalf of the Wastewater Management Division of the Department of Public Works (the "City") will receive electronic bids for the purchase of the Bonds described below on:

**Wednesday, January 11, 2012**

Between 9:45 am and 10:00 am Mountain Time, subject to the two-minute rule hereinafter described.

Bids must be submitted electronically by MuniAuction as described in "BID PROPOSAL REQUIREMENTS" below.

**ISSUE DETAILS:** The Bonds to be sold are the "City and County of Denver, Colorado, for and on behalf of the Wastewater Management Division of the Department of Public Works, Wastewater Enterprise Revenue Bonds, Series 2012" (the "Bonds") in the aggregate principal amount of \$47,235,000\*. The Bonds will be dated as of the date of delivery, will be issued in fully registered form, and will be initially evidenced by one Bond for each year in which the Bonds mature in denominations equal to the principal amount which matures in each such year. Any initially issued Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, as securities depository for the Bonds ("DTC").

**PURCHASERS CERTIFICATE:** **The apparent winning bidder will be required to execute and deliver a Purchaser's Certificate prior to closing in the form attached hereto as Exhibit A. SUBMISSION OF A BID TO PURCHASE THE BONDS CONSTITUTES A COVENANT TO DELIVER THIS CERTIFICATE WITHOUT CHANGES UNLESS CO-BOND COUNSEL APPROVED SUCH CHANGES PRIOR TO THE SALE DATE OF JANUARY 11, 2012. If on or prior to the Sale Date the apparent winning bidder does not indicate its willingness to execute the Purchaser's Certificate, the City shall award the bid to the responsible bidder making the next best bid therefor who agrees to execute and deliver the Purchaser's Certificate.**

**MATURITIES:** The Bonds will mature on November 1 in the years and designated amounts designated below:

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\* Subject to change.

11-982-A

Maturity (November 1)	Principal Amount*
2012	\$2,325,000
2013	2,340,000
2014	2,405,000
2015	2,480,000
2016	2,570,000
2017	2,675,000
2018	2,780,000
2019	2,910,000
2020	3,045,000
2021	3,195,000
2022	3,360,000
2023	1,365,000
2024	1,430,000
2025	1,505,000
2026	1,580,000
2027	1,655,000
2028	1,740,000
2029	1,825,000
2030	1,920,000
2031	2,015,000
2032	2,115,000

ADJUSTMENT OF PRINCIPAL AMOUNTS PRIOR TO BIDDING AND AFTER DETERMINATION OF BEST BID.

Prior to the time that bids are received, the City reserves the right, in its sole discretion, to vary the principal amount of Bonds in any amount it deems necessary to accomplish the project, and notice thereof will be given over the Munifacts Wire Service prior to the time bids are to be received.

The aggregate principal amount and the principal amount of each maturity of the Bonds described above are subject to adjustment by the City, after the determination of the best bid as hereinafter described. To the extent premium is received from the winning bidder and to the extent more or less Bond proceeds are required to provide sufficient deposits to the construction fund and the escrow account, the principal amount of the Bonds shall be adjusted upward or downward as the City shall in its discretion determine. Changes to be made will be communicated to the successful bidder by the time of award of the Bonds to the successful bidder, and will not reduce or increase the aggregate principal amount of the Bonds by more than 20% in total principal amount. The successful bidder may not withdraw its bid as a result of any changes made within these limits. By submitting its bid, each bidder agrees to purchase the Bonds in such adjusted principal amounts and to modify the purchase price for the Bonds to reflect such adjusted principal amounts.

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\* Subject to change.

OPTIONAL PRIOR REDEMPTION: The Bonds maturing on or prior to November 1, 2022 are not subject to optional redemption prior to their respective maturity dates. The Bonds maturing after November 1, 2022, are subject to redemption prior to their respective maturities, at the option of the City, in whole or in part, in integral multiples of \$5,000, from such maturities as are selected by the City, and if less than all of the Bonds of a maturity are to be redeemed, by lot within a maturity, on November 1, 2022, or on any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

MANDATORY SINKING FUND REDEMPTION: The Bonds shall not be subject to mandatory sinking fund redemption. No term bonds are allowed.

INTEREST RATES AND LIMITATIONS:

1. Interest shall be payable on May 1 and November 1 of each year, commencing on May 1, 2012, and will be computed on the basis of a 360-day year of twelve 30-day months.
2. There is no limit on the number of rates specified, except that one interest rate only shall be specified for the Bonds of any maturity.
3. The interest rate for the Bonds must be stated in a multiple of 1/8th or 1/20th of 1% per annum. A zero rate of interest is not permitted for the Bonds.
4. The maximum differential between the lowest and the highest interest rates stated in the bid may not exceed 300 basis points (e.g., if the lowest rate is 2.00% the highest rate may not exceed 5.00%).
5. The net effective interest rate on the Bonds shall not exceed 5.00%. For the purposes of this calculation, the following definitions apply:

“Net effective interest rate” of a proposed issue of bonds means the net interest cost of the issue divided by the sum of the products derived by multiplying the principal amount of such issue maturing on each maturity date by the number of years from the date of said proposed bonds to their respective maturities. In all cases the net effective interest rate shall be computed without regard to any option of redemption prior to the designated maturity dates of the bonds, but shall take into account mandatory sinking fund redemptions.

“Net interest cost” of a proposed issue of bonds means the total amount of interest to accrue on said bonds from their date to their respective maturities or mandatory prior redemption dates, plus the amount of any discount below par, or less the amount of any premium above par at which said bonds are being or have been sold. In all cases the net interest cost shall be computed without regard to any option of redemption prior to the designated maturity dates of the bonds.

PURCHASE PRICE: The purchase price bid for the Bonds shall not be less than 100% of the par amount of the Bonds. SEE "WINNING BIDDER'S REOFFERING YIELDS".

INFORMATION AVAILABLE FROM PRELIMINARY OFFICIAL STATEMENT: Reference is made to the Preliminary Official Statement dated December \_\_, 2011 (the "Preliminary Official Statement") for information as to the authorization and purpose of the Bonds; security for the Bonds; the book-entry system, transfer, exchange and place of payment of the Bonds; the exclusion of the interest on the Bonds from federal and State of Colorado income taxation; and other information relating to the Bonds, the City and the sanitary sewerage facilities and storm drainage facilities of the City.

BID PROPOSAL REQUIREMENTS: Each bid must be submitted by MuniAuction ([www.GrantStreet.com](http://www.GrantStreet.com)) between 9:45 a.m. and 10:00 a.m., prevailing Mountain Time, subject to the two-minute rule as hereinafter provided, on January 11, 2012. Bidders may change and submit bids as many times as they wish during the auction, provided that any subsequent bid must result in a lower actuarial yield (i.e. using the true interest cost method) than the preceding bid and provided further that a bidder may not withdraw a submitted bid. If any bid becomes a leading bid two (2) minutes or less prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by MuniAuction. The auction end time will continue to be extended until a single leading bid remains the leading bid for at least two (2) minutes. The last bid submitted before the end of the auction will be compared to all other final bids to determine the successful bidder.

To the extent any instructions or directions set forth on MuniAuction conflict with this Notice of Public Sale, the terms of this Notice of Public Sale shall control. The City may, but is not obligated to, acknowledge its acceptance in writing of any bid submitted electronically by MuniAuction.

To bid by MuniAuction, bidders must first visit MuniAuction where, if they have never registered with either MuniAuction or Grant Street Group, they can register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only broker-dealers registered with the Financial Industry Regulatory Authority (FINRA) or dealer banks with The Depository Trust Company clearing arrangements will be eligible to bid. Bidders who have previously registered with MuniAuction may call MuniAuction at (412) 391-5555 (ext. 370 for Auction support) for their Identification Number or password. No bidder will see any other bidder's bid, nor will any bidder see the status of its bid relative to other bids (e.g., whether its bid is a leading bid). The rules of MuniAuction can be viewed on MuniAuction and are incorporated in this Notice of Public Sale by reference. Bidders must comply with the rules of MuniAuction in addition to the requirements of this Notice of Public Sale. To the extent there is a conflict between the rules of MuniAuction and this Notice of Public Sale, this Notice of Public Sale shall control.

The bidder further agrees that:

1. The City may regard the electronic transmission of the bid by MuniAuction (including information about the purchase price of the Bonds, the interest rate or

rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity of the Bonds and any other information included in such transmission) as though the same information were submitted in writing and executed by a duly authorized signatory of the bidder. If a bid submitted electronically by MuniAuction is accepted by the City, the terms of this Notice of Public Sale and the information that is electronically transmitted by MuniAuction shall form a contract, and the winning bidder shall be bound by the terms of such contract.

2. MuniAuction is not an agent of the City, and the City shall have no liability whatsoever based on any bidder's use of MuniAuction, including but not limited to any failure by MuniAuction to correctly or timely transmit information provided by the City or information provided by the bidder.

3. The City may choose to discontinue use of electronic bidding by MuniAuction by issuing a notification to such effect on MuniAuction, or by other available means, no later than 1:00 p.m., Mountain Time, on the last business date prior to the bid date.

4. Once the bids are communicated electronically by MuniAuction to the City, each bid shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Public Sale. For purposes of submitting all "Proposals for Bonds," whether electronically or sealed, the time as maintained on MuniAuction shall constitute the official time.

Each bidder shall be solely responsible to make necessary arrangements to access MuniAuction for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Public Sale. The City shall have no duty or obligation to provide or assure to any bidder, and the City shall not be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, MuniAuction. The City is using MuniAuction as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. By using MuniAuction, each bidder agrees to hold the City harmless for any harm or damages caused to such bidder in connection with its use of MuniAuction for bidding on the Bonds.

Piper Jaffray & Co, the City's financial advisor ( the "Financial Advisor") shall not be allowed to bid on the Bonds.

WINNING BIDDER'S REOFFERING YIELDS: At or before 12:00 p.m. Mountain Time on Wednesday, January 11, 2012, the winning bidder (or manager of the purchasing account) for the Bonds must provide to the City's Treasurer the initial offering price and yield to the public.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$472,350 will be required to be made by the apparent winning bidder after the bids have been received. The apparent winning bidder will be required to wire the good faith deposit to the City no later than 1:00 p.m. Mountain Time on Wednesday, January 11, 2012. The Financial Advisor will contact the apparent winning bidder and request the apparent winning bidder to wire such good faith deposit and the apparent winning bidder shall provide the Federal wire reference number of such

good faith deposit to the Financial Advisor by 1:00 p.m. Mountain Time on Wednesday, January 11, 2012. The wire shall be sent to:

Bank	JP Morgan Chase Bank, 1125 17th St., Denver, CO 80202
ABA#:	021000021
Beneficiary Name:	The City and County of Denver Manager of Finance
Account No.	193488945
Reference Txt:	Wastewater Enterprise Revenue Bonds, Series 2012

The Bonds will not be officially awarded to a bidder until such time as the bidder has provided a Federal wire reference number for the good faith deposit to the Financial Advisor or the Treasurer.

No interest on the good faith deposit will accrue to any bidder. The good faith deposit of the winning bidder for the Bonds will be applied to the purchase price of the Bonds. In the event the winning bidder for the Bonds fails to honor its accepted bid, the good faith deposit plus any interest accrued on the good faith deposit will be retained by the City. Any investment income earned on the good faith deposit will not be credited to the winning bidder on the purchase price of the Bonds.

SALE RESERVATIONS: The City reserves the right (1) to reject any and all bids for the Bonds, (2) to reoffer the Bonds for sale as provided by law, and (3) to waive any irregularity or informality in any bid. In addition, the City reserves the privilege of changing the date and/or time of sale of the Bonds. If the City changes the date and/or time of the sale of the Bonds, this Notice of Public Sale shall remain effective, except as amended by communication or other amendment communicated to potential bidders.

If bids are not taken on January 11, 2012, or if all bids are rejected on January 11, 2012, the City may reoffer the Bonds for sale at any time thereafter.

BASIS OF AWARD: Subject to the sale reservations and limitations set forth herein, the Bonds will be sold to the responsible bidder making the best bid therefor. The best bid(s) will be determined by computing the actuarial yield on the Bonds (i.e., using an actuarial or true interest cost method) for each bid received. "True interest cost" on the Bonds as used herein means that yield which if used to compute the present worth as of the estimated delivery date of the Bonds of all payments of principal and interest to be made the Bonds from the estimated delivery date to their respective maturity dates using the interest rates specified in the bid and the principal amounts specified in the Maturity Schedule, produces an amount equal to the principal amount of the Bonds, less any discount or plus any premium bid. All interest calculations and the calculation of the best bid shall be based on a 360-day year and a semiannual compounding interval. If an award is made, it will be made to the bidder whose bid results in the lowest true interest cost, i.e., to the bidder making the bid resulting in the lowest true interest cost on the Bonds. If two or more equal bids for the Bonds are received and such equal bids are the best bids received, the City will determine which bid will be accepted.

TIME OF AWARD: The City Council has authorized certain designated officers, on behalf of the City, to accept the best responsible bid for the purchase of the Bonds, and to accept such bid, for and in the name of the City, by notice to the winning bidder. The City will award the Bonds or reject all bids not later than twenty-four (24) hours after the expiration of the time herein specified for the receipt of bids unless such time of award is waived by the winning bidder.

MANNER AND TIME OF DELIVERY: The good faith deposit of the winning bidder will be credited to the purchaser at the time of delivery of the Bonds (without accruing interest). If the winning bidder for the Bonds fails or neglects to complete the purchase of the Bonds when the Bonds are made ready and are tendered for delivery, the amount of this good faith deposit will be forfeited (as liquidated damages for noncompliance with the bid) to the City, except as hereinafter provided. In that event, the City may reoffer the Bonds for sale as provided by law. The purchaser will not be required to accept delivery of any of the Bonds if they are not tendered for delivery within sixty (60) days from the date herein stated for opening bids. If the Bonds are not so tendered within said period of time, the good faith deposit, if any, will be returned to the purchaser upon its request (without accruing interest). The City contemplates, however, effecting delivery of the Bonds to the purchaser through DTC on or about January 19, 2012.

PAYMENT: The winning bidder or bidders will be required to make payment of the balance due for the Bonds at a bank or trust company designated by the Treasurer. Payment of the balance of the purchase price due at delivery must be made in Federal Reserve Funds or other funds acceptable to the City for immediate and unconditional credit to the City. The Bonds will be delivered at the office of The Depository Trust Company in New York, New York, or pursuant to DTC's Fast Automated Securities Transfer system, on confirmation by the City of receipt of the balance of the purchase price.

CUSIP NUMBERS: CUSIP numbers will be ordered by the Financial Advisor and will be paid for by the City as a cost of issuance. CUSIP numbers will be printed on the Bonds. If a wrong number is imprinted on any Bond or if a number is not printed thereon, any such error or omission will not constitute cause for the winning bidder to refuse delivery of any Bond.

OFFICIAL STATEMENT: The City has prepared the Preliminary Official Statement, which is deemed by the City to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), except for the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement, as defined below.

Copies of the Preliminary Official Statement and other information concerning the City and the Bonds may be obtained prior to the sale from the sources listed under "INFORMATION" below.

The City will, as soon as practicable after the award of the Bonds to the winning bidder, update the information contained in the Preliminary Official Statement to the date of the award, and such updated Preliminary Official Statement will constitute the "Final Official Statement" relating to the Bonds. The City authorizes the winning bidder to distribute the Final Official Statement in connection with the offering of the Bonds. The City will provide to the winning bidder an amount not to exceed 150 copies of the Final Official Statement on or before the seventh business day following the date of the award of the Bonds to the winning bidder, but in any event at least three business days prior to closing on the Bonds. The winning bidder may obtain additional copies of the Final Official Statement at its expense. The Final Official Statements will be delivered to the winning bidder at the offices of the Financial Advisor at the address listed below (see "INFORMATION" herein). If the winning bidder fails to pick up the Final Official Statements at the offices of the Financial Advisor, the Final Official Statements will be forwarded to the winning bidder by mail or another delivery service mutually agreed to between the winning bidder and the Financial Advisor.

For a period beginning on the date of the Final Official Statement and ending twenty-five (25) days following the date the winning bidder shall no longer hold for sale any of the Bonds, if any event concerning the affairs, properties or financial condition of the City shall occur as a result of which it is necessary to supplement the Final Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, the City shall, at the request of the winning bidder, notify the winning bidder of any such event of which the Treasurer has actual knowledge and shall cooperate fully in preparation and furnishing of any supplement to the Final Official Statement necessary, in the reasonable opinion of the City and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time.

SECONDARY MARKET DISCLOSURE UNDERTAKING: Pursuant to the Rule, the City will undertake to provide notice of the occurrence of certain material events. A form of the undertaking is set forth as Appendix C to the Preliminary Official Statement.

TRANSCRIPT AND LEGAL OPINION: The validity and enforceability of the Bonds will be approved by Sherman & Howard L.L.C., Denver, Colorado, and GCR, LLP, as Co-Bond Counsel ("Co-Bond Counsel"). The purchaser will receive a transcript of legal proceedings, which will include, among other documents:

1. A certificate executed by officials of the City stating that there is no litigation pending affecting the validity of the Bonds as of the date of their delivery;

2. A certificate executed by the Treasurer or other authorized official of the City stating that, to the best of his knowledge, the Final Official Statement as of its date did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made in the Final Official Statement, in the light of the circumstances under which they were made, not misleading, and that, to the best of his knowledge, since the date of the Final Official Statement no event has occurred which would cause the Final Official Statement as of the date of the delivery of the Bonds to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements made in the



Final Official Statement, in the light of the circumstances under which they were made, not misleading (provided that, if between the date of the public sale of the Bonds and the date of delivery of the Bonds, any event should occur or be discovered which would cause the Final Official Statement to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the purchaser thereof, and if in the opinion of the City or the purchaser such event requires the preparation and publication of a supplement or amendment to the Final Official Statement, the City, at its sole expense, will supplement or amend the Final Official Statement in a form and in a manner approved by the purchaser and by Sherman & Howard L.L.C., Denver, Colorado, and GCR, LLP, as Co-Special Counsel to the City);

3. The opinions of Co-Bond Counsel as to the validity, enforceability and tax status of interest on the Bonds, a form of which is set forth as Appendix D to the Preliminary Official Statement.

GOVERNING LAW AND VENUE: This Notice of Public Sale and the contract formed when the City accepts the winning bid is governed by the laws of the State of Colorado. By submitting a bid, each bidder consents to the exclusive jurisdiction of any court of the State of Colorado located in the City and County of Denver or the United States District Court for the State of Colorado for the purpose of any suit, action or other proceeding arising under this Notice of Public Sale, and each bidder hereby irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined by such court. Each bidder further agrees that service of process in any such action commenced in such State or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid submitted by the bidder.

INFORMATION: This Notice of Public Sale, the Preliminary Official Statement and other information concerning the City and the Bonds may be obtained from the City's Debt Administration: Guadalupe Gutierrez-Vasquez, 201 W. Colfax, Dept. 1010, Denver, CO 80202, phone (720) 913-9370; fax (720) 913-9460; debtmanagement@denvergov.org, or from the City's Financial Advisor, Piper Jaffray & Co., 1200 17<sup>th</sup> Street, Suite 1250, Denver, CO 80202, phone (303) 820-5873.

Dated December \_\_, 2011.

/s/  
\_\_\_\_\_  
Manager of Finance, ex-officio Treasurer

**EXHIBIT A**  
**FORM OF PURCHASER'S CERTIFICATE**

**NOTE TO BIDDERS: ALL OF THE BONDS MUST BE PUBLICALLY OFFERED TO DELIVER THIS CERTIFICATE. THIS CERTIFICATE MAY NOT BE ALTERED WITHOUT APPROVAL OF CO-BOND COUNSEL BEFORE THE BOND SALE. SUBMISSION OF A BID TO PURCHASE THE BONDS CONSTITUTES A COVENANT TO DELIVER THIS CERTIFICATE WITHOUT CHANGES UNLESS SUCH CHANGES WERE APPROVED BY CO-BOND COUNSEL BEFORE THE SALE ON JANUARY 11, 2012.**

**\$47,235,000\***  
**CITY AND COUNTY OF DENVER, COLORADO**  
**FOR AND ON BEHALF OF**  
**THE WASTEWATER MANAGEMENT DIVISION**  
**OF THE DEPARTMENT OF PUBLIC WORKS,**  
**WASTEWATER ENTERPRISE REVENUE BONDS**  
**SERIES 2012**

The undersigned representative of [Purchaser] (the "Purchaser") hereby certifies in connection with the "City and County of Denver, Colorado, for and on behalf of the Wastewater Management Division of the Department of Public Works, Wastewater Enterprise Revenue Bonds, Series 2012" (the "Bonds") in the aggregate principal amount of \$47,235,000\* issued pursuant to the ordinance adopted by the City Council of the City and County of Denver, Colorado (the "City") on December \_\_, 2011, that:

1. We acknowledge receipt of the Bonds in the aggregate principal amount of \$47,235,000\*, bearing interest and maturing as provided in the Official Statement, and such Bonds being in the denominations and registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the sale date at the initial public offering prices (or yields) shown for the Bonds on the cover page of the Official Statement dated January 11, 2012 (the "Official Statement") for the Bonds.

3. Except as provided in the third sentence of this paragraph 3, the first price at which a substantial amount of each maturity of the Bonds was sold to the public ("public" in this certificate excludes bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) is the price shown on the cover page of the Official Statement for that maturity of the Bonds. For this purpose, "substantial amount" is 10% or more of each maturity. If less than 10% of any maturity of the Bonds was sold on the sale date, it was our reasonable expectation on the sale date that the first price at which at least 10% of that maturity of the Bonds would be sold to the public on the sale date would be the price shown for that maturity on the cover page of the Official Statement. It was our reasonable expectation as of the sale date that the prices on the cover page of the Official Statement represent a fair market value for each maturity of the Bonds.

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\* Subject to change.

4. Pursuant to Section 20-93.3 of the Revised Municipal Code of the City, the undersigned will, within thirty (30) days of the date hereof, submit to the Manager of Finance, *ex officio* Treasurer, of the City and the President of the City Council a list of the underwriters involved in the sale of the Bonds, together with a list of the participating dealers, if different, and the percentage of participation by each such firm.

IN WITNESS WHEREOF, I have hereunto set my hand this January \_\_, 2012.

[PURCHASER]

By \_\_\_\_\_  
Title: \_\_\_\_\_