

**CITY AND COUNTY OF DENVER, COLORADO,
FOR AND ON BEHALF OF THE
WASTEWATER MANAGEMENT DIVISION
OF ITS DEPARTMENT OF PUBLIC WORKS
WASTEWATER ENTERPRISE REVENUE BONDS
SERIES 2012**

ESCROW AGREEMENT

DATED as of January __, 2012, made by and between the City and County of Denver, Colorado, for and on behalf of the Wastewater Management Division of its Department of Public Works (the “City”), a political subdivision of the State of Colorado (the “State”), and Zions First National Bank (the “Escrow Bank”), in Denver, Colorado, a national banking association having and exercising full and complete trust powers, duly organized and existing under and by virtue of the laws of the United States, being a member of the Federal Deposit Insurance Corporation and the Federal Reserve System.

(1) **WHEREAS**, the City is duly organized and existing under the laws of the State and its home rule charter and its officers from time to time have been duly chosen and qualified; and

(2) **WHEREAS**, the City Council of the City (the “Council”) has 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 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

(3) **WHEREAS**, the City has heretofore 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, dated April 1, 2002 (the “2002 Bonds”); and

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

11-982-E

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

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

(6) **WHEREAS**, the City now desires to defease, refund, pay and discharge all the outstanding 2002 Bonds (the “Refunded Bonds”); and

(7) **WHEREAS**, on November 1, 2012 (the “Redemption Date”) the City desires to redeem all the Refunded Bonds maturing in the year 2013 and thereafter at the redemption price equal to the principal amount so redeemed plus accrued interest to the Redemption Date, without premium, as permitted by the ordinance authorizing the issuance of the 2002 Bonds; and

(8) **WHEREAS**, the City has been authorized to issue its “City and County of Denver, Colorado, for and on behalf of its Wastewater Division of its Department of Public Works, Wastewater Enterprise Revenue Bonds, Series 2012” (the “Series 2012 Bonds” or the “Bonds”) in the aggregate principal amount of \$_____ for the purpose of, among others matters, paying (i) the interest due on the Refunded Bonds, both accrued and not accrued, as the same becomes due on and after the date of delivery of the Series 2012 Bonds and on and before the maturity date or Redemption Date; and (ii) the principal of the Refunded Bonds upon maturity or prior redemption on the Redemption Date (collectively, the “Refunded Bond

Requirements”) as more particularly described in the certified public accountant’s report attached as Exhibit 1 to this **Agreement** (the “Verification Report”); and

(9) **WHEREAS**, the Series 2012 Bonds are issued by the City, for and on behalf of the Enterprise, pursuant a resolution adopted by the Manager (the “Manager’s Resolution”), Ordinance No. _____, Series of 2011 (the “Bond Ordinance”) and a Sale Certificate executed in accordance therewith (the “Sale Certificate”); and

(10) **WHEREAS**, the City, by the Bond Ordinance, among other matters:

A. Created the Escrow Account (as defined below);

B. Authorized the Escrow Account (as defined below) to be maintained at the Escrow Bank;

C. Provided for the deposit in the Escrow Account of a portion of the net proceeds of the Series 2012 Bonds and any other legally available moneys in an aggregate amount fully sufficient, together with the known minimum yield from the investment of such moneys in bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or the principal and interest of which are unconditionally guaranteed by, the United States, which obligations are not callable at the option of the issuer thereof (“Federal Securities”), to pay the Refunded Bond Requirements, as set forth therein and herein (in no circumstances shall the term “Federal Securities” include money market investments even if the money market fund in which the investment is made invests only in Federal Securities);

D. Provided for the purchase of Federal Securities with such moneys credited to the Escrow Account; and

E. Authorized the completion and execution of this Agreement; and

(11) **WHEREAS**, copies of the Manager’s Resolution, the Bond Ordinance and the Sale Certificate have been delivered to the Escrow Bank, and the provisions therein set forth are herein incorporated by reference as if set forth herein verbatim in full; and

(12) **WHEREAS**, the Federal Securities described in Exhibit 1 to this Agreement, if any, have appropriate maturities and yields to insure, together with the initial cash (as defined below), the payment of the Refunded Bond Requirements, as the same becomes due; and

(13) **WHEREAS**, a schedule of receipts from such Federal Securities and a schedule of payments and disbursements in the Verification Report demonstrate the sufficiency of the Federal Securities and initial cash, if any, for such purpose; and

(14) **WHEREAS**, the Escrow Bank is empowered to undertake the obligations and commitments on its part herein set forth; and

(15) **WHEREAS**, the undersigned officer of the Escrow Bank is duly authorized to execute and deliver this Agreement in the Escrow Bank's name and on its behalf; and

(16) **WHEREAS**, the City is empowered to undertake the obligations and commitments on its part herein set forth; and

(17) **WHEREAS**, the undersigned officers of the City are duly authorized to execute and deliver this Agreement in the City's name and on its behalf.

NOW, THEREFORE, THIS ESCROW AGREEMENT WITNESSETH:

That in consideration of the premises and the mutual agreements herein contained, and the payment of the fees and costs specified in Section 9 hereof, duly paid by the City to the Escrow Bank at or before the ensealing and delivery of these presents, the receipt of which is hereby acknowledged, and in order to secure the payment of the Refunded Bond Requirements, as the same become due, the parties hereto mutually undertake, promise, and agree for themselves and their respective representatives, successors, and assigns, as follows:

Section 1. Creation of Escrow.

A. Simultaneously with the delivery of the Series 2012 Bonds, and subject to their issuance, the City, with \$_____ of the Series 2012 Bond proceeds (including net original issue premium), and other available moneys in the amount of \$_____, shall purchase (to the extent not heretofore purchased) the Federal Securities described in Exhibit 1 to this Agreement (the "Initial Federal Securities") and shall cause the Initial Federal Securities, if any, and an initial cash balance of \$____ (the "initial cash") to be credited to and accounted for in a separate trust account designated as the "Wastewater Revenue Bonds, Series 2002, Escrow Account" (the "Escrow Account"). Receipt of \$_____ by the Escrow Bank to be applied as provided herein is hereby acknowledged.

B. Other Federal Securities may be substituted for any Initial Federal Securities if such Initial Federal Securities are unavailable for purchase at the time of issuance of

the Series 2012 Bonds or other Federal Securities may be substituted for any Federal Securities held in the Escrow Account if such substitution is required or permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the applicable regulations thereunder, as permitted by the City's investment policies, subject in any case to sufficiency demonstrations and yield proofs in a certified public accountant's report, and subject to a favorable opinion of the City's bond counsel as to the legality of any such substitution, and the continued exemption of interest on the Bonds, from federal income taxation (except certain alternative minimum taxes described in co-bond counsel's opinion), and in any event in such a manner so as not to increase the price which the City pays for the initial acquisition of Federal Securities for the Escrow Account. The certified public accountant's report must indicate that the receipts from the substitute securities are sufficient without any need for reinvestment to fully pay the Refunded Bond Requirements. In lieu of, or in addition to, substituting other Federal Securities pursuant to the preceding sentence, moneys in an amount equal to the principal of and interest on all or any portion of such Initial Federal Securities may be credited to the Escrow Account subject to the provisions of Section 5 hereof. Any such cash shall be deemed to be part of the initial cash, if any. Any Federal Securities temporarily substituted may be withdrawn from the Escrow Account when the Initial Federal Securities are purchased and credited to the Escrow Account. Similarly any temporary advancement of moneys to the Escrow Account to pay designated Refunded Bond Requirements, because of a failure to receive promptly the principal of and interest on any Federal Securities at their respective fixed maturity dates, or otherwise, may be repaid to the person advancing such moneys upon the receipt by the Escrow Bank of such principal and interest payments on such Federal Securities.

C. The initial cash, the proceeds of the Initial Federal Securities, if any (and of any other Federal Securities acquired as an investment or reinvestment of moneys accounted for in the Escrow Account), and any such Federal Securities themselves (other than Federal Securities, including the Initial Federal Securities, held as book-entries), shall be deposited with the Escrow Bank and credited to and accounted for in the Escrow Account. The securities and moneys accounted for therein shall be redeemed and paid out and otherwise administered by the Escrow Bank for the benefit of the City as provided in this Agreement and the Bond Ordinance.

Section 2. Purpose of Escrow.

A. The Escrow Bank shall hold the initial cash and all Federal Securities, if any, accounted for in the Escrow Account (other than Federal Securities, including the Initial Federal Securities, held as book-entries), and all moneys received from time to time as interest on and principal of any such Federal Securities, in trust to secure and for the payment of the Refunded Bond Requirements, as the same become due.

B. Except as provided in paragraph B of Section 1 hereof, the Escrow Bank shall collect the principal of and interest on such Federal Securities promptly as such principal and interest become due and shall apply all money so collected to the payment of the Refunded Bond Requirements as aforesaid.

Section 3. Accounting for Escrow.

A. The moneys and the Federal Securities, if any, accounted for in the Escrow Account shall not be subject to checks drawn by the City or otherwise subject to its order except as otherwise provided in paragraph B of Section 1 and in Section 8 hereof.

B. The Escrow Bank, however, shall transfer from time to time, sufficient moneys to pay, without any default, the Refunded Bond Requirements, as the same become due, as provided herein.

C. Except as otherwise provided in paragraph B of Section 1 of this Agreement, there shall be no sale of any Federal Securities held hereunder, and no Federal Securities held hereunder and callable for prior redemption at the City's option shall be called at any time for prior redemption, except if necessary to avoid a default in the payment of the Refunded Bond Requirements.

Section 4. Maturities of Federal Securities.

A. Any Federal Securities shall be purchased in such manner:

(1) So that such Federal Securities may be redeemed in due season at their respective maturities to meet such Refunded Bond Requirements as the same become due, and

(2) So that any sale or prior redemption of such Federal Securities shall be unnecessary.

B. There shall be no substitution of any Federal Securities except as otherwise provided in paragraph B of Section 1 of this Agreement.

Section 5. Reinvestments.

A. The Escrow Bank shall reinvest the cash balances listed in the Verification Report for the period designated in the Verification Report in state and local government series securities (“slgs”) purchased directly from the United States Government by the Escrow Bank in the name of the City. All of the slgs in which such reinvestments are made shall bear interest at the rate of zero percent (0%) per annum. The Escrow Bank agrees to comply with Part 344 of Title 31, Code of Federal Regulations, and with such other regulations of the United States Treasury, Bureau of Public Debt, as are from time to time in effect in subscribing for and purchasing such slgs, including without limitation, requirements with respect to submitting subscriptions to a Federal Reserve Bank or Branch in advance (currently between 60 and 7 days in advance) of the date of purchase of the slgs.

B. In addition to or, as the case may be, in lieu of the reinvestments required by Paragraph A of this Section 5, the Escrow Bank, at the written direction of the City, shall invest the initial cash, if any, and shall reinvest in Federal Securities any moneys received in payment of the principal of and interest on any Federal Securities accounted for in the Escrow Account, subject to the limitations of Sections 1, 4 and 6 hereof and the following limitations:

(1) Any such Federal Securities shall not be subject to redemption prior to their respective maturities at the option of their issuer.

(2) Any such Federal Securities shall mature on or prior to the date when the proceeds thereof must be available for the prompt payment of the Refunded Bond Requirements, as the same become due.

(3) Under no circumstances shall any reinvestment be made under Section 5 if such reinvestment, alone or in combination with any other investment or reinvestment, violates the applicable provisions of Section 148 of the Tax Code, and the rules and regulations thereunder, or violates the City’s investment policies.

(4) The Escrow Bank shall make no such reinvestment unless the City first obtains and furnishes to the Escrow Bank a written opinion of the City’s bond counsel to the effect that such reinvestment, as described in the opinion, complies with paragraph B of this Section 5.

Section 6. Sufficiency of Escrow.

The moneys and Federal Securities accounted for in the Escrow Account shall be in an amount (or have appropriate maturities and yields to produce an amount) which at all times shall be sufficient to pay the Refunded Bond Requirements as they become due.

Section 7. Transfers for Refunded Bond Requirements

The Escrow Bank shall make such credit arrangements and transfers to the paying agent of the Refunded Bonds, which is the Manager of Finance, ex-officio Treasurer, of the City (the "Treasurer") as will assure, to the extent of money in the Escrow Account properly allocable to and available therefor, the timely payment of the Refunded Bond Requirements when due.

Section 8. Termination of Escrow Account.

When payment or provisions for payment shall have been made so that all Refunded Bond Requirements shall be or shall have been paid in full and discharged, the Escrow Bank shall immediately pay over to the City the moneys, if any, then remaining in the Escrow Account. Such moneys may be used by the City for any lawful purpose, subject to any limitations in the Bond Ordinance.

Section 9. Fees and Costs.

A. The Escrow Bank's total fees and costs for and in carrying out the provisions of this Agreement, have been fixed at \$1,000, which amount is to be paid at or prior to the time of the issuance of the Series 2012 Bonds by the City directly to the Escrow Bank as payment in full of all charges of the Escrow Bank pertaining to this Agreement for services performed hereunder.

B. Such payment for services rendered and to be rendered by the Escrow Bank shall not be for deposit in the Escrow Account, and the fees of and the costs incurred by the Escrow Bank shall not be deducted from such account.

Section 10. Status Report; Access to Information.

A. On or before December 1, 2012, the Escrow Bank shall submit to the City a report covering all money which the Escrow Bank shall have received and all payments which it shall have made or caused to be made hereunder.

B. The report shall indicate for which period and in which trust bank any Federal Securities (other than Federal Securities held as book-entries) and any uninvested

moneys were transferred for safekeeping or any Federal Securities (other than Federal Securities held as book-entries) pledged to secure the repayment to the City of any uninvested moneys were placed in pledge, as permitted by Section 12.

C. The Escrow Bank agrees that any duly authorized representative of the City shall, until the expiration of three (3) years after final termination of this Agreement, have access to and the right to examine any directly pertinent books, documents, schedules, papers, charts, and records of the Escrow Bank, including all cost accounting records, involving matters or transactions in any way, related to this Agreement and the services provided hereunder.

Section 11. Character of Deposit.

A. It is recognized that title to the Federal Securities and money accounted for in the Escrow Account from time to time shall remain vested in the Escrow Bank for the benefit of the City but subject always to the prior charge and lien thereon of the Bond Ordinance and this Agreement and the use thereof required to be made by the provisions of this Agreement and the Bond Ordinance.

B. The Escrow Bank shall hold all such Federal Securities (except as they may be held as book-entries) and money in the Escrow Account as a special trust fund and account separate and wholly segregated from all other securities and funds of the Escrow Bank or deposited therein, and shall never commingle such securities or money with other securities or money.

Section 12. Securing Deposit.

A. The Escrow Bank may cause the Federal Securities accounted for in the Escrow Account to be registered in the name of the Escrow Bank for payment, if they are registrable for payment.

B. No money paid into and accounted for in the Escrow Account shall ever be considered as an asset of the Escrow Bank and the Escrow Bank shall have no right or title with respect thereto except as provided herein.

Section 13. Purchaser's Responsibility.

The holders from time to time of the Series 2012 Bonds shall in no manner be responsible for the application or disposition of the proceeds thereof or any moneys or Federal Securities accounted for in the Escrow Account. This clause shall not relieve the Escrow Bank

(if it is a holder of the Series 2012 Bonds), in its capacity as Escrow Bank, from its duties under this Agreement.

Section 14. Amendment.

A. The Series 2012 Bonds shall be issued in reliance upon this Agreement and except as herein provided this Agreement shall be irrevocable and not subject to amendment after any of the Series 2012 Bonds shall have been issued.

B. The provisions of this Agreement may be amended, waived or modified upon approval by the holders of all of the Refunded Bonds and Series 2012 Bonds. The provisions of this Agreement also may be amended, waived or modified, without the consent of or notice to the holders of the Refunded Bonds or the Series 2012 Bonds, for one or more of the following purposes:

(1) to cure any ambiguity, or to cure, correct or supplement any formal defect or omission or inconsistent provision contained in this Agreement;

(2) to pledge additional revenues, properties or collateral as security for the Refunded Bonds; or

(3) to deposit additional monies or Federal Securities to the Escrow Account.

Notwithstanding any other provision hereof no amendment, modification or waiver shall be effective if it is materially prejudicial to the owners of the Refunded Bonds or affects the exclusion of the interest on the Refunded Bonds or the Series 2012 Bonds, from gross income from federal income tax purposes, unless such amendment, waiver or modification is approved by the holders of all of the then outstanding Refunded Bonds and Series 2012 Bonds affected thereby.

Section 15. Exculpatory Provisions.

A. The duties and responsibilities of the Escrow Bank are limited to those expressly and specifically stated in this Agreement.

B. The Escrow Bank shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Agreement and made in compliance with the provisions hereof.

C. The Escrow Bank shall not be personally liable or responsible for any act which it may do or omit to do hereunder, while acting with reasonable care, except for duties expressly imposed upon the Escrow Bank hereunder or as otherwise expressly provided herein.

D. The Escrow Bank shall neither be under any obligation to inquire into or be in any way responsible for the performance or nonperformance by the City of any of its obligations, nor shall the Escrow Bank be responsible in any manner for the recitals or statements contained in this Agreement, in the Bond Ordinance, in the Refunded Bonds, or in any proceedings taken in connection therewith, such recitals and statements being made solely by the City.

E. Nothing in this Agreement creates any obligation or liabilities on the part of the Escrow Bank to anyone other than the City and the holders of the Refunded Bonds.

Section 16. Resignation or Removal of Escrow Bank.

A. The Escrow Bank, or any successor thereof, may not resign or be discharged of its duties and obligations hereunder except upon giving not less than sixty (60) days' written notice to the City and upon receiving the written consent of the Treasurer. The resignation shall take effect only upon the appointment of a successor Escrow Bank by the Treasurer.

B. The Escrow Bank, or any successor thereof, may be removed at any time for any reason by the Treasurer upon not less than thirty (30) days' written notice to the Escrow Bank. Such removal shall take effect only upon the appointment of a successor Escrow Bank by the Treasurer.

C. In case the Escrow Bank, or any successor thereof, is replaced by the Treasurer as provided above, the Treasurer shall cause notice of such replacement to be mailed to each owner of the Refunded Bonds at his, her or its address last shown on the registration records. Any successor appointed under the provisions of this Section shall be an Insured Bank (as defined in the Bond Ordinance).

Section 17. Time of Essence.

Time is of the essence in the performance of the obligations from time to time imposed upon the Escrow Bank by this Agreement.

Section 18. Successors.

A. Whenever in this Agreement the City or the Escrow Bank is named or is referred to, such provision is deemed to include any successor of the City or the Escrow Bank, respectively, immediate or intermediate, whether so expressed or not. The rights and obligations under this Agreement may be transferred by the Escrow Bank to a successor. Any corporation or

association into which the Escrow Bank may be merged or converted or with which the Escrow Bank may be consolidated or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which the Escrow Bank may be a party or any corporation or association to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without the execution or filing of any document or any further act, anything herein to the contrary notwithstanding.

B. All of the stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the City or the Escrow Bank contained in this Agreement:

- (1) Shall bind and inure to the benefit of any such successor, and
- (2) Shall bind and inure to the benefit of any officer, employee, member, agent, or instrumentality to whom or to which there shall be transferred by or in accordance with law any relevant right, power, or duty of the City or the Escrow Bank, respectively, or of its successor.

Section 19. Indemnification.

The Escrow Bank agrees to protect, defend, release, indemnify and save harmless the City against any and all claims, damages, suits, or procedures of any kind or nature, including worker's compensation claims in any way resulting from or arising out of, directly or indirectly, the Escrow Bank's services hereunder and all operations in connection herewith, or its use or occupation of any public or private property, and including acts or omissions of the Escrow Bank or its officers, employees, representatives, suppliers, invitees, contractors, and agents; provided, however, that the Escrow Bank need not indemnify and save harmless the City, its officers, agents and employees from damages resulting from the negligence of the City's officers, agents, and employees. Any insurance coverage specified herein constitutes the minimum requirements, and said requirements shall in no way lessen or limit the indemnification or other liability of the Escrow Bank under the terms of this Agreement. The Escrow Bank shall procure and maintain, at its own expense and cost, any additional kinds and amounts of insurance that, in its judgment, may be necessary for its proper protection in the prosecution of the services hereunder. The Escrow Bank shall be liable for direct damages if it fails to exercise ordinary care. The Escrow Bank shall be deemed to have exercised ordinary care if its actions, or failure to act, is in conformity with the Escrow Bank's general banking usages or is otherwise a commercially

reasonable practice of the banking industry. The Escrow Bank shall not be liable for any special, consequential or incidental damages, even if it has been advised of the possibility of the same.

Section 20. Governmental Immunity.

The parties hereto understand and agree that the City is relying upon, and has not waived, the monetary limitations per person and per occurrence and all other rights, immunities and protections as provided by the Colorado Governmental Immunity Act, C.R.S. Section 24-10-101, et seq. The City cannot, and by this Agreement does not agree to indemnify, hold harmless, exonerate, or assume the defense of the Escrow Bank, its employees, officers, agents, or affiliates or any other person or entity whatsoever, for any purpose whatsoever regardless of any provisions to the contrary that may be contained in this Agreement. Moreover, the City, as a public fiduciary supported by tax moneys, in execution of its public trust, cannot and does not agree to waive any lawful or legitimate right to recover moneys lawfully due it. Any such statement to the contrary that may be contained in this Agreement, including any documents incorporated by reference herein, shall be considered null and void. The Escrow Bank agrees that it shall not insist upon or demand any statement whereby the City agrees to limit in advance or waive any right the City may have to recover actual lawful damages in any court of law under Colorado or other applicable law.

Section 21. No Discrimination.

In connection with the performance of the services under this Agreement, the Escrow Bank agrees not to refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability; and further agrees to insert the foregoing provision in all approved subcontracts hereunder.

Section 22. No Personal or Beneficial Interest.

The parties agree that no employee of the City shall have any personal or beneficial interest whatsoever in the services or property described herein and the Escrow Bank further agrees not to hire or contract for the services of any employee or officer of the City which would be in violation of the Denver Revised Municipal Code Chapter 2, Article IV, Code of Ethics, or Denver City Charter provisions 1.2.8, 1.2.9 and 1.2.12.

Section 23. Conflict with Bond Ordinance.

In the event of any conflict between the provisions of this Agreement and the provisions of the Bond Ordinance, the provisions of the Bond Ordinance shall be controlling.

Section 24. Severability.

If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Agreement.

Section 25. Notices.

Any notice to be given hereunder shall be delivered personally or mailed postage prepaid, return receipt requested, to the following addresses:

If to the City:	Manager of Finance City and County of Denver, Colorado 201 West Colfax, Dept. 1010 Denver, Colorado 80202
If to the Escrow Bank:	Zions First National Bank 1001 17 th Street, Suite 850 Denver, Colorado 80202 Attention: Corporate Trust Department
If to the Bond Insurer of the Refunded Bonds	Financial Guaranty Insurance Company 125 Park Avenue New York, New York 10017 Attention: Risk Management Re: Policy No. 02010450

or such other address as any party may, by written notice to the other parties, hereafter specify. Any notice shall be deemed to be given upon mailing.

Section 26. Electronic Signatures and Electronic Records. The Escrow Bank consents to the use of electronic signatures by the City. This Agreement, and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City. The parties agree not to deny the legal effect or enforceability of this Agreement solely because it is in electronic form or because an electronic record was used in its formation. The parties agree not to object to the admissibility of this Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a

document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

Section 27. Exercise of Option to Redeem Refunded Bonds. The City hereby irrevocably obligates itself to exercise its option to redeem the Refunded Bonds on the Redemption Date. The City hereby authorizes and directs the Escrow Bank to cause notice of prior redemption of the Refunded Bonds to be given, in the name of the City, in the manner required by the bond ordinance authorizing the 2002 Bonds (the “2002 Bond Ordinance”), so that the Refunded Bonds may be redeemed on the Redemption Date. The form of Notice of Redemption is set forth herein in Section 28. By its execution of this Agreement, the Escrow Bank hereby acknowledges and accepts responsibility for the giving of such notice of refunding of the Refunded Bonds in the manner set forth in the 2002 Bond Ordinance.

Section 28. Form of Notice. The notice of refunding, defeasance and redemption of the Refunded Bonds so to be given by the Escrow Bank shall be in substantially the following form:

(Form of Notice)

NOTICE OF REFUNDING, DEFEASANCE AND REDEMPTION

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

CUSIP NUMBERS: 249178 AJ3, 249178AK0, 249178AL8, 249178 AM6, 249178 AN4,
249178 AP9, 249178 AQ7, 249178 AR5, 249178 AS3, 249178 AT1, 249178 AU8, 249178 AV6

NOTICE IS HEREBY GIVEN that the City and County of Denver, Colorado, for and on behalf of the Wastewater Management Division of its Department of Public Works (the "City") has caused to be deposited in escrow with Zions First National Bank, a national banking association, Denver, Colorado (the "Escrow Bank"), refunding bond proceeds and other moneys which will be invested (except for a small initial cash balance remaining uninvested) in certificates of indebtedness, notes, bonds and similar securities which are direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America to defease, refund, pay, redeem and discharge all of the City's outstanding "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, dated April 1, 2002 (the "Series 2002 Bonds"), as more particularly described below, at a price equal to the principal amount thereof plus accrued interest thereon, without premium.

The principal of and accrued interest on the Series 2002 Bonds maturing on November 1, 2012, in the aggregate principal amount of \$1,430,000, bearing interest at 4.750% and assigned CUSIP Number 249178 AK0, will be paid upon presentation and surrender thereof on its maturity date. Sums sufficient to pay the principal of and accrued interest on the Series 2002 Bonds maturing on November 1, 2012 have been deposited in the escrow account with the Escrow Bank and such Series 2002 Bonds have been defeased.

The Series 2002 Bonds maturing on and after November 1, 2013, as set forth below (collectively, the "Refunded Bonds") will be called for redemption on November 1, 2012 (the "Redemption Date"):

<u>Maturity Date</u> <u>(November 1)</u>	<u>Aggregate</u> <u>Principal Amount</u>	<u>CUSIP Number</u>	<u>Interest Rate</u> <u>Per Annum</u>
2013	\$1,505,000	249178 AL8	5.000%
2014	1,580,000	249178 AM6	5.250
2015	1,660,000	249178 AN4	5.000
2016	1,740,000	249178 AP9	5.250
2017	1,830,000	249178 AQ7	5.250
2018	1,920,000	249178 AR5	5.250
2019	2,015,000	249178 AS3	5.500
2020	2,115,000	249178 AT1	5.000
2021	2,220,000	249178 AU8	5.125
2022	2,335,000	249178 AV6	5.125

On the Redemption Date, the principal of and accrued interest on the Refunded Bonds, without redemption premium, will become due and payable at the office of the paying agent for the Refunded Bonds, the Manager of Finance, ex officio Treasurer of the City (the "Paying Agent"), and thereafter interest will cease to accrue. Payment on the Refunded Bonds will be made upon presentation and surrender of the Refunded Bonds.

According to a report of a firm of certified public accountants, licensed to practice in Colorado, the escrow, including the known minimum yield from such investments and any temporary reinvestments and the initial cash balance remaining uninvested, will be fully sufficient at the time of the deposit and at all times subsequent, to pay the principal amount of the Series 2002 Bonds on the Redemption Date or their respective maturity dates and interest accruing on and after the date of the deposit and on and before the Redemption Date or their respective maturity dates.

In compliance with the federal law, the Paying Agent is required to withhold at the current backup withholding rate a percentage from payments of principal to individuals who fail to furnish valid Taxpayer Identification Numbers. A completed Form W-9 should be presented with your bond.

The above-referenced CUSIP numbers were assigned to this issue by Standard & Poor's Corporation and are intended solely for bondholders' convenience. Neither the Paying Agent nor the City shall be responsible for selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Refunded Bonds or as indicated in any redemption notice.

Dated: _____, 20__.

Zions First National Bank, Escrow Agent

By: _____
Title:

IN WITNESS WHEREOF, the City and the Escrow Bank have caused this Agreement to be duly executed and delivered as of the day and year first above written.

CITY AND COUNTY OF DENVER,
COLORADO

By _____
Mayor

(SEAL)

Attest:

Clerk and Recorder, ex officio Clerk

Approved as to Form:

By: _____
City Attorney

Registered and Countersigned:

By: _____
Manager of Finance, *ex officio* Treasurer

By: _____
Auditor

ZIONS FIRST NATIONAL BANK,
as Escrow Bank

By _____
Title:

EXHIBIT 1

(Attach Certified Public Accountant's Verification Report)