

BY AUTHORITY

1
2 ORDINANCE NO. _____

COUNCIL BILL NO. CB 16-0757

3 SERIES OF 2016

COMMITTEE OF REFERENCE:

4 Finance & Governance Committee

5 **A BILL**

6 **For an ordinance authorizing the issuance of City and County of Denver, Colorado, for**
7 **and on behalf of the Wastewater Management Division of its Department of Public**
8 **Works, Wastewater Enterprise Revenue Bonds, Series 2016, for the purpose of**
9 **financing the cost of acquiring, improving and equipping the storm drainage and**
10 **sanitary sewerage facilities of the City; providing for the pledge of certain wastewater**
11 **revenues for the payment thereof; and making other provisions relating thereto.**

12
13 (1) **WHEREAS**, the City and County of Denver (the “City”), Colorado (the “State”), is a municipal
14 corporation duly organized and existing as a home rule city under article XX of the State Constitution and the
15 Charter of the City (the “Charter”) and is a political subdivision of the State; and

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

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

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

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

1 (6) **WHEREAS**, the Council previously determined in 2011 that it was in the best interest of the
2 City and the customers of the Enterprise to issue for and on behalf of the Enterprise the City & County of
3 Denver, Colorado, for and on behalf of its Wastewater Division of its Department of Public Works, Wastewater
4 Enterprise Revenue Bonds Series 2012 to acquire, improve and equip the storm drainage facilities of the City
5 and to refund, pay and discharge the Series 2002 Bonds (the “Series 2012 Bonds”), which are currently
6 outstanding in the approximate principal amount of \$40,710,000; and

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

12 (8) **WHEREAS**, the construction of the Project is consistent with and in furtherance of the
13 Comprehensive Plan of the City; and

14 (9) **WHEREAS**, in order to finance the acquisition, improvement and equipping of the Project, the
15 City, for and on behalf of the Enterprise, desires to issue its City and County of Denver, Colorado, for and on
16 behalf of its Wastewater Division of its Department of Public Works, Wastewater Enterprise Revenue Bonds,
17 Series 2016 (the “Series 2016 Bonds”); and

18 (10) **WHEREAS**, the Treasurer will certify that the requirements of the ordinance authorizing the
19 issuance of the Series 2012 Bonds have been met with respect to the issuance of Additional Parity Bonds
20 thereunder in the form of the Series 2016 Bonds; and

21 (11) **WHEREAS**, the Series 2016 Bonds and the Series 2012 Bonds are each Parity Securities of
22 the Enterprise and each share, together with any Additional Parity Bonds, a first lien, but not an exclusive first
23 lien, on all of the Net Pledged Revenue of the Enterprise; and

24 (12) **WHEREAS**, the Manager of the Enterprise has adopted a resolution (the “Manager’s
25 Resolution”) requesting that the Council adopt an ordinance authorizing the issuance of the Series 2016
26 Bonds to finance the costs of the Project; and

27 (13) **WHEREAS**, the City, acting by and through the Enterprise, is authorized pursuant to TABOR
28 to issue the Series 2016 Bonds without an election to finance the costs of the Project; and

29 (14) **WHEREAS**, pursuant to Section 20-92 of the Revised Municipal Code of the City (the “City
30 Code”), the Manager of Finance, ex-officio Treasurer of the City (the “Treasurer”) has retained First Southwest

1 as financial advisor to assist the City and communicated such retention in writing to the President of the
2 Council, and the Clerk and Recorder, ex officio Clerk of the City (the "Clerk"), has read such communication
3 to the Council; and

4 (15) **WHEREAS**, before undertaking any action that obligates or could obligate the City financially
5 with regard to the issuance of any of the Series 2016 Bonds, the Treasurer has or will provide the written
6 notification to the Council required pursuant to Section 20-93 of the City Code, the Clerk has or will read such
7 notification to the Council at its next regularly scheduled meeting, and the Treasurer will not take any action
8 obligating the City to issue any of the Series 2016 Bonds until at least fifteen (15) days after such reading
9 relating to such Series 2016 Bonds; and

10 (16) **WHEREAS**, the Series 2016 Bonds are to be sold by competitive sale, the Treasurer will
11 provide a notice of the sale of such Series 2016 Bonds by such means as the Treasurer deems appropriate,
12 and the Treasurer shall determine the date and time that competitive bids for such Series 2016 Bonds are to
13 be received and recorded by the Treasurer; and

14 (17) **WHEREAS**, the Mayor or the Treasurer, following generally accepted procedures, will
15 determine and accept or modify by negotiation the best binding bid received for such Series 2016 Bonds and
16 award such Series 2016 Bonds to the underwriter or underwriters submitting such bid at the purchase price
17 specified in such bid; and

18 (18) **WHEREAS**, the Council has determined it is necessary and in the best interests of the City
19 that the City undertake the financing of the Project herein authorized and defray the costs thereof by issuing
20 the Series 2016 Bonds and does hereby declare:

21 A. The public interest, safety and welfare require the issuance of the Series 2016 Bonds;
22 and

23 B. The Series 2016 Bonds shall be issued pursuant to the provisions of this Ordinance, a
24 Sale Certificate authorized hereby and by the provisions of the Notice of Sale related thereto; and

25 C. All acts, conditions and things required by law to exist, to have happened and to have
26 been performed as a condition to the issuance of the Series 2016 Bonds do or will exist, have happened or
27 will happen and have been or will be performed in regular and due time, form and manner as required by law;
28 and

29 (19) **WHEREAS**, prior to the enactment hereof, there will have been filed with the Clerk the
30 proposed forms of the following documents with respect to the Series 2016 Bonds:

1 A. Preliminary Official Statement relating to the Series 2016 Bonds (the “Preliminary
2 Official Statement”) (Clerk File No. 16-0390);

3 B. Notice of Public Sale with respect to the Series 2016 Bonds (the “Notice of Sale”),
4 (Clerk File No. 16-0390-001);

5 C. The Continuing Disclosure Undertaking executed by the City relating to the Series 2016
6 Bonds (the “Continuing Disclosure Undertaking”), (Clerk File No. 16-0390-002);

7 D. The Paying Agent, Registrar and Transfer Agent Agreement between the City and
8 Zions Bank, a division of ZB, National Association, as Paying Agent, relating to the Series 2016 Bonds (the
9 “Paying Agent Agreement”), (Clerk File No. 16-0390-003); and

10 E. The Manager’s Resolution (Clerk File No. 16-0390-004).

11 (20) **WHEREAS**, this Ordinance has been initiated to approve the sale of the Series 2016 Bonds
12 as requested, approved and authorized in the Manager’s Resolution.

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

14 Section 1. Definitions and Construction.

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

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

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

24 (3) Additional Parity Bonds: any Parity Securities issued after the initial issuance
25 of any of the Series 2016 Bonds.

26 (4) Average Annual Debt Service Requirements: the aggregate of all Debt Service
27 Requirements (excluding any redemption premiums) due on the Series 2016 Bonds or other issue of Parity
28 Securities for all Bond Years beginning with the Bond Year in which Debt Service Requirements of the Series

1 2016 Bonds or such Parity Securities are first payable, and ending with the Bond Year in which the last of the
2 Debt Service Requirements are payable, divided by the whole number of such years.

3 (5) Beneficial Owners: those Persons having beneficial ownership interests in
4 Series 2016 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 calendar
7 year.

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

16 (11) Combined Average Annual Debt Service Requirements: the sum of the
17 Average Annual Debt Service Requirements for all issues of Series 2016 Bonds or Parity Securities for which
18 the computation is being made.

19 (12) Combined Maximum Annual Debt Service Requirements: the Maximum Annual
20 Debt Service Requirements for all issues of Series 2016 Bonds or Parity Securities for which the computation
21 is being made, treated as a single issue.

22 (13) Comparable Bond Year: in connection with any Fiscal Year, the Bond Year that
23 ends in such Fiscal Year. For example, for the Fiscal Year commencing on January 1, 2017, the Comparable
24 Bond Year for the Series 2016 Bonds commences on December 2, 2016, and ends on December 1, 2017.

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

27 (15) Continuing Disclosure Undertaking: each Continuing Disclosure Undertaking
28 executed by the City on the date of delivery of each series of Series 2016 Bonds.

1 (16) Cost of the Project: all or any part of the cost of Acquisition, Improvement and
2 Equipment of all or any part of the Project, including without limitation all or any property, rights, easements,
3 privileges, agreements and franchises deemed necessary, useful or convenient therefor or in connection
4 therewith, interest or discount on the Series 2016 Bonds, costs of issuance of the Series 2016 Bonds,
5 engineering and inspection costs, legal expenses, costs of financial, professional and other estimates and
6 advice, contingencies, any administrative, operating and other expenses prior to and during such Acquisition,
7 Improvement and Equipment and additionally during a period of not exceeding one year after the completion
8 thereof and all such other expenses as may be necessary or incidental to the financing, Acquisition,
9 Improvement, Equipment and completion of the Project or any part thereof and the placing of the same in
10 operation, provision of reserves for working capital, operation, maintenance or replacement expenses or for
11 payment or security of principal of or interest on the Series 2016 Bonds during or after such Acquisition,
12 Improvement or Equipment and also reimbursements of any moneys theretofore expended for or in
13 connection with the Project.

14 (17) Costs of Issuance: all financial, legal, accounting, consulting and rating fees,
15 the fees and expenses of the Paying Agent, Registrar and Transfer Agent, and all costs of printing, mailing
16 and publication and similar costs incurred in connection with the offer, sale and issuance of the Series 2016
17 Bonds.

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

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

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

1 plus fifty (50) basis points. It is to be further assumed that any such variable rate securities that may be
2 tendered prior to maturity for purchase at the option of the owner thereof will mature on their stated Maturity
3 Dates or mandatory Redemption Dates. The City shall be permitted to treat any fixed rate payable on an
4 interest rate exchange agreement or “swap” contract as the interest rate on any such issue of variable rate
5 securities if the counterparty to such agreement or contract has unconditionally agreed to pay all interest due
6 on such variable rate securities.

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

9 (22) Enterprise: the Wastewater Management Division of the Department of Public
10 Works of the City.

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

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

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

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

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

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

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

1 treatment and disposal charges imposed under Secs. 56-93, 56-94, 56-98 and 56-99 of the City Code and all
2 income or other gain, if any, from investment of the Income, but excluding sanitary sewer connection fees,
3 sanitary sewer services availability fees, storm drainage or sanitary sewer impact fees, special assessments
4 for storm drainage or sanitary sewer purposes, grants or reimbursements from any local, State or federal
5 government or agency thereof and any tap fees collected for or on behalf of the Metro Wastewater
6 Reclamation District or any other local government or agency thereof.

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

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

16 (32) Interest Payment Date: a date designated for the payment of interest on the
17 Series 2016 Bonds or any other designated securities.

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

19 (34) Manager's Resolution: the resolution adopted by the Manager prior to the
20 adoption of this Ordinance, relating to the Series 2016 Bonds.

21 (35) Maturity Date: a date designated for the payment of principal on the Series
22 2016 Bonds or any other designated securities.

23 (36) Maximum Annual Debt Service Requirements: the maximum aggregate
24 amount of Debt Service Requirements (excluding redemption premiums) due on the Series 2016 Bonds or
25 any other issue of Parity Securities in any Bond Year beginning with the Bond Year in which Debt Service
26 Requirements of the Series 2016 Bonds or such Parity Securities are first payable after the computation date
27 and ending with the Bond Year in which the last of the Debt Service Requirements are payable.

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

1 (38) Notice of Sale: the Public Notice of Sale relating to the competitive sale of the
2 Series 2016 Bonds.

3 (39) Official Statement: the Official Statement with respect to the Series 2016
4 Bonds.

5 (40) Operation and Maintenance Fund: collectively, the special funds heretofore
6 created as the storm drainage operating fund and the sanitary sewer operating fund and referred to in Section
7 5D hereof.

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

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

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

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

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

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

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

25 (g) Contractual services, professional services, salaries, administrative
26 expenses and costs of labor appertaining to the Storm Drainage Facilities or the
27 Sanitary Sewerage Facilities, the cost of materials and supplies used for current
28 operation or routine maintenance and repair of the Storm Drainage Facilities or the

1 Sanitary Sewerage Facilities and payments to the Metro Wastewater Reclamation
2 District for the treatment of sewage and other related services;

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

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

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

9 "Operation and Maintenance Expenses" does not include:

10 (a) Any allowance for depreciation;

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

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

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

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

17 (f) Any liabilities incurred in the Acquisition of any properties comprising
18 the Storm Drainage Facilities or the Sanitary Sewerage Facilities or any
19 existing properties comprising the Storm Drainage Facilities or the
20 Sanitary Sewerage Facilities or any combination thereof; and

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

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

23 (43) Outstanding: as of any particular date, all the Series 2016 Bonds, Additional
24 Parity Bonds, Parity Securities or any such other Securities payable in whole or in part from the Net Pledged
25 Revenues that have been authorized, executed and delivered, except the following:

1 (a) Any Series 2016 Bond, Additional Parity Bond, Parity Security or other
2 Security canceled on or before such date;

3 (b) Any Series 2016 Bond, Additional Parity Bond, Parity Security or other
4 Security held by or on behalf of the City;

5 (c) Any Series 2016 Bond, Additional Parity Bond, Parity Security or other
6 Security for the payment or the redemption of which moneys or Federal Securities, or
7 both, sufficient (including the known minimum yield available for such purpose from
8 Federal Securities in which such amount wholly or in part may be initially invested) to
9 pay all of the Debt Service Requirements of such Series 2016 Bond, Additional Parity
10 Bond, Parity Security or other Security to the Maturity Date or Redemption Date thereof
11 shall have theretofore been deposited in escrow or in trust with an Insured Bank for
12 that purpose; and

13 (d) Any lost, destroyed, or wrongfully taken Series 2016 Bond, Additional
14 Parity Bond, Parity Security or other Security in lieu of or in substitution for which
15 another bond or other Security shall have been executed and delivered.

16 (44) Owner: the registered owner of any Series 2016 Bond.

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

20 (46) Participants: participating underwriters, securities brokers or dealers, banks,
21 trust companies, closing corporations or other persons or entities for which the Securities Depository holds
22 Series 2016 Bonds.

23 (47) Paying Agent: Zions Bank, a division of ZB, National Association, or such
24 successor paying agent, as shall be appointed hereunder.

25 (48) Paying Agent Agreement: with respect to each series of Series 2016 Bonds,
26 the Paying Agent, Registrar and Transfer Agent Agreement between the City and the Paying Agent, relating
27 to such Series 2016 Bonds.

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

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

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

9 (52) Preliminary Official Statement: the Preliminary Official Statement with respect
10 to Series 2016 Bonds.

11 (53) Project: the acquisition, improvement and equipping of the Storm Drainage
12 Facilities and/or Sanitary Sewerage Facilities that are being financed with a portion of the proceeds of the
13 Series 2016 Bonds.

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

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

19 (56) Record Date: the 15th day (whether or not a Business Day) of the calendar
20 month next preceding each regularly scheduled interest payment date for the Series 2016 Bonds.

21 (57) Redemption Date: the date designated for optional or mandatory sinking fund
22 redemption prior to maturity of any Series 2016 Bonds or other designated securities.

23 (58) Registrar: Zions Bank, a division of ZB, National Association, or such successor
24 registrar as shall be appointed hereunder.

25 (59) Sale Certificate: with respect to the Series 2016 Bonds, a certificate executed
26 by the Mayor or the Treasurer of the City on or before the date of delivery of such Series 2016 Bonds setting
27 forth the determinations that may be delegated to such officials pursuant to Section 11-57-205(1) of the
28 Supplemental Act and also setting forth the determinations that have been delegated to such officials pursuant
29 to the Charter and Section 3B hereof.

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

6 (61) Securities Depository: The Depository Trust Company, New York, New York,
7 hereby designated as the depository for the Series 2016 Bonds, and includes any nominee or successor
8 thereof.

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

11 (63) Series 2016 Bonds: one or more series of the City and County of Denver,
12 Colorado, for and on behalf of the Wastewater Management Division of its Department of Public Works,
13 Wastewater Enterprise Revenue Bonds, as so named and with such details as set forth in a Sale Certificate.

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

17 (65) Special Record Date: the date fixed by the Paying Agent for the determination
18 of ownership of Series 2016 Bonds for the purpose of paying interest not paid when due or interest accruing
19 after maturity.

20 (66) State: the State of Colorado.

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

26 (68) Subordinate Bonds or Subordinate Securities: Bonds or securities payable
27 from the Net Pledged Revenues having a lien thereon subordinate or junior to the lien thereon of the Series
28 2016 Bonds.

1 (69) Superior Bonds or Superior Securities: Bonds or securities payable from the
2 Net Pledged Revenues having a lien thereon superior or senior to the lien thereon of the Series 2016 Bonds.

3 (70) Supplemental Act: the Supplemental Public Securities Act, constituting Title
4 11, Article 57, Part 2, Colorado Revised Statutes, as amended.

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

6 (72) Transfer Agent: Zions Bank, a division of ZB, National Association, a national
7 banking association, or such successor transfer agent as shall be appointed hereunder.

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

10 (74) Underwriter: collectively, the underwriter or underwriters of the Series 2016
11 Bonds as set forth in the applicable Sale Certificate.

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

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

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

17 (2) Any Series 2016 Bonds held by the City shall not be deemed to be Outstanding
18 for the purpose of redemption or of consents hereunder.

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

23 Section 2. Certain Determinations.

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

1 to carry out and to effect the purposes hereof. This Ordinance is also adopted pursuant to the Enterprise
2 Ordinance, the Manager’s Resolution and the Act.

3 B. Necessity of Project. It is necessary and in the best interests of the City and the
4 inhabitants thereof that the City undertake the Project herein authorized and defray the costs thereof by
5 issuing the Series 2016 Bonds.

6 C. Ratification of Actions. All action heretofore taken (not inconsistent with the provisions
7 of this Ordinance) by the officers, agents and employees of the City relating to undertaking and effectuating
8 the Project and the issuance, sale and delivery of the Series 2016 Bonds for that purpose is hereby ratified,
9 approved, and confirmed.

10 Section 3. The Series 2016 Bonds.

11 A. Authorization of Project and Series 2016 Bonds. The City hereby authorizes the Project
12 and the issuance of the Series 2016 Bonds, as determined in the Sale Certificate, to defray the costs thereof.
13 All Debt Service Requirements of the Series 2016 Bonds shall be payable solely out of Net Pledged
14 Revenues.

15 B. Delegation. Pursuant to the Charter and Section 11-57-205 of the Supplemental Act,
16 the Council hereby delegates to each of the Mayor or the Treasurer the independent authority to determine
17 that the Series 2016 Bonds will be sold by competitive bidding, and to receive bids for the purchase of the
18 Series 2016 Bonds, to determine the best bid therefor in accordance with the terms and provisions of this
19 Ordinance and the Notice of Sale, and to accept a binding bid or bids for the Series 2016 Bonds, and to
20 execute any agreement in connection therewith. At the time the Mayor or the Treasurer, as the case may be,
21 accepts a binding bid for any of the Series 2016 Bonds, the Mayor or the Treasurer shall also simultaneously
22 execute the Sale Certificate setting forth the purchaser of such Series 2016 Bonds and the terms of such
23 Series 2016 Bonds.

24 Pursuant to the Charter and the Supplemental Act, the Council hereby further delegates to each of
25 the Mayor or the Treasurer the authority to independently make any determination delegable pursuant to
26 Section 11-57-205(1) of the Supplemental Act, in relation to the Series 2016 Bonds, and to include such
27 determinations in the Sale Certificate for each series of Series 2016 Bonds, subject to the parameters and
28 restrictions contained herein.

29 Approval of this Ordinance grants continuing authority to the Mayor or the Treasurer to approve the
30 issuance of Series 2016 Bonds for one year after the adoption of this Ordinance without further action by the
31 Council subject to the parameters set forth herein.

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

2 C. Bond Details; Parameters.

3 (1) Generally; Parameters. The Series 2016 Bonds shall be issued in fully
4 registered form and shall initially be registered in the name of Cede & Co., as nominee for the Securities
5 Depository. Purchases by Beneficial Owners of the Series 2016 Bonds shall be made in book-entry form in
6 the denominations of \$5,000 or any integral multiple thereof. The Beneficial Owners of the Series 2016 Bonds
7 shall not receive certificates evidencing their interests in the Series 2016 Bonds. No Series 2016 Bond shall
8 be issued in any denomination larger than the aggregate principal amount maturing on the Maturity Date of
9 such Series 2016 Bond, and no Series 2016 Bond shall be made payable on more than one Maturity Date.

10 Pursuant to the recommendations of the Committee on Uniform Security Identification Procedures,
11 CUSIP numbers may be printed on the Series 2016 Bonds.

12 The Series 2016 Bonds shall be dated their date of delivery, mature, be payable, bear interest payable
13 to the Owners of the Series 2016 Bonds from their date to maturity or prior redemption, be sold, all as provided
14 in the applicable Sale Certificate; provided that:

15 (i) all Series 2016 Bonds shall mature no later than November 1, 2046;

16 (ii) the maximum net effective interest rate of the Series 2016 Bonds shall not
17 exceed 4%;

18 (iii) the aggregate principal amount of the Series 2016 Bonds is estimated to be
19 \$116,000,000, but shall not in any event exceed \$116,000,000;

20 (iv) the net purchase price of the Series 2016 Bonds shall not be less than 100% of
21 the original principal amount of such Series 2016 Bonds; and

22 (v) each Series 2016 Bond (a) shall not be subject to optional redemption prior to
23 maturity, or (b) may be subject to optional redemption at such time or times as permitted by State law and as
24 set forth in the Sale Certificate, at a redemption price not to exceed 100%.

25 Interest on the Series 2016 Bonds shall be calculated on the basis of a 360-day year of twelve 30-day
26 months, payable semiannually on May 1 and November 1, commencing on the date or dates set forth in the
27 Sale Certificate.

1 If the principal of or interest on any Series 2016 Bond is not paid as provided herein, interest shall be
2 payable on such unpaid principal or interest at the interest rate specified in the Series 2016 Bond until such
3 unpaid principal or interest is paid in full.

4 The principal of, interest on and any premium due in connection with the redemption of the Series
5 2016 Bonds shall be payable in lawful money of the United States of America to the registered Owners of the
6 Series 2016 Bonds by the Paying Agent. The principal and the final installment of interest shall be payable
7 to the Owner of each Series 2016 Bond upon presentation and surrender thereof at maturity or upon prior
8 redemption by check or draft sent to the Owner at the address appearing on the registration books of the City
9 maintained by the Registrar or by wire transfer to such bank or other depository as the Owner shall designate
10 in writing to the Paying Agent. Except as hereinbefore and hereinafter provided, the interest shall be payable
11 to the Owner of each Series 2016 Bond determined as of the close of business on the Record Date
12 irrespective of any transfer of ownership of the Series 2016 Bond subsequent to the Record Date and prior
13 to such Interest Payment Date by check or draft or wire transfer directed to such Owner as aforesaid. Any
14 principal or interest not paid when due and any interest accruing after maturity shall be payable to the Owner
15 of each Series 2016 Bond entitled to receive such principal or interest determined as of the close of business
16 on the Special Record Date, irrespective of any transfer of ownership of the Series 2016 Bond subsequent to
17 the Special Record Date and prior to the date fixed by the Paying Agent for the payment of such principal or
18 interest, by check or draft or wire transfer directed to such Owner as aforesaid. Notice of the Special Record
19 Date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by first-
20 class postage prepaid mail at least fifteen (15) days prior to the Special Record Date to the Owner of each
21 Series 2016 Bond upon which principal or interest will be paid determined as of the close of business on the
22 day preceding such mailing at the address appearing on the registration books of the City.

23 Any premium shall be payable to the Owner of each Series 2016 Bond being redeemed upon
24 presentation and surrender thereof upon prior redemption by check or draft or wire transfer directed to such
25 Owner as aforesaid. So long as the Owner of any Series 2016 Bond is the Securities Depository or a nominee
26 therefor, the Securities Depository shall disburse any payments received, through Participants or otherwise,
27 to the Beneficial Owners. If the date for making any payment or giving any notice is not a Business Day, such
28 payment or notice shall be made or given on the next succeeding Business Day.

29 So long as the registered owner of any Series 2016 Bond is the Securities Depository or a nominee
30 therefor, the Securities Depository shall disburse any payments received, through participating underwriters,
31 securities brokers or dealers, banks, trust companies, closing corporations or other persons or entities for
32 which the Securities Depository holds Series 2016 Bonds or otherwise, to the Beneficial Owner or Owners
33 thereof.

1 Neither the City nor the Paying Agent shall have any responsibility or obligation for the payment to
2 any Participant, any Beneficial Owner or any other Person (except an Owner of Series 2016 Bonds) of the
3 principal of, interest on or any premium due on the Series 2016 Bonds.

4 Notwithstanding the foregoing provisions or any other provisions of this Ordinance to the contrary, so
5 long as the Series 2016 Bonds are held in book-entry form, the payment, registration, exchange, transfer and
6 redemption provisions of the Series 2016 Bonds shall conform to the requirements of the Securities
7 Depository.

8 (2) Redemption: The Series 2016 Bonds shall be subject to redemption prior to
9 their respective Maturity Dates as set forth in the applicable Sale Certificate.

10 The Series 2016 Bonds may also be subject to mandatory sinking fund redemption if so determined
11 in the applicable Sale Certificate.

12 Series 2016 Bonds that are redeemable prior to their respective Maturity Dates may be redeemed in
13 part if issued in denominations that are integral multiples of \$5,000. In such case, the Series 2016 Bond shall
14 be surrendered in the manner provided for transfers of ownership. Upon payment of the redemption price the
15 Owner shall receive a new Series 2016 Bond or Series 2016 Bonds of authorized denominations in aggregate
16 principal amount equal to the unredeemed portion of the Series 2016 Bond surrendered. Such Series 2016
17 Bonds shall be treated as representing a corresponding number of separate Series 2016 Bonds in the
18 denomination of \$5,000 each.

19 Unless waived by the Owners of any Series 2016 Bonds to be redeemed, notice of redemption shall
20 be given by the Paying Agent in the name of the City by sending a copy thereof by first-class postage prepaid
21 mail, or by using such other method required by the Securities Depository, not less than thirty (30) days or
22 more than sixty (60) days prior to the Redemption Date to the Owner of each of the Series 2016 Bonds being
23 redeemed determined as of the close of business on the day preceding the first mailing of such notice at the
24 address appearing on the registration books of the City. Such notice shall specify: (i) the number or numbers
25 of the Series 2016 Bonds to be redeemed, whether in whole or in part; (ii) the principal amounts thereof; (iii)
26 the CUSIP numbers of the Series 2016 Bonds to be redeemed; (iv) the date the Series 2016 Bonds were
27 originally issued; (v) the rate of interest borne by each Series 2016 Bond to be redeemed; (vi) the maturity
28 date of each Series 2016 Bond to be redeemed; (vii) the date fixed for redemption; (viii) that on the
29 Redemption Date there will be due and payable upon each Series 2016 Bond or part thereof so to be
30 redeemed at the office of the Paying Agent the principal amount or part thereof plus accrued interest thereon
31 to the Redemption Date and that from and after such date interest will cease to accrue; and, (ix) any other
32 descriptive information determined by the Paying Agent or the Treasurer to be necessary to identify accurately

1 the Series 2016 Bonds being redeemed. In addition, the Paying Agent is hereby authorized and directed to
2 give such other or further notice as may be required by law and to comply with any operational procedures
3 and requirements of the Securities Depository relating to redemption of bonds and notice thereof. Each such
4 notice of redemption shall be sent at least thirty (30) days before the Redemption Date by first class mail or
5 overnight delivery service or by electronic submission to the Securities Depository. Failure to send any notice
6 as aforesaid or any defect in any notice so sent with respect to any Series 2016 Bond shall not affect the
7 validity of the redemption proceedings with respect to any other Series 2016 Bond.

8 On or prior to the Redemption Date, the City shall deposit with the Paying Agent sufficient funds to
9 redeem any Series 2016 Bonds called for prior redemption on the Redemption Date. Upon such deposit, the
10 Series 2016 Bonds or portions thereof to be redeemed shall be due and payable on the Redemption Date,
11 and on the Redemption Date interest shall cease to accrue thereon. Any Series 2016 Bonds redeemed prior
12 to their respective Maturity Dates by call for prior redemption or otherwise shall not be reissued and shall be
13 canceled the same as Series 2016 Bonds paid at or after maturity.

14 Notwithstanding the provisions of this section, any notice of redemption may contain a statement that
15 the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for
16 redemption sufficient to pay the redemption price of the Series 2016 Bonds called for redemption, and that if
17 such funds are not available, such redemption shall be cancelled by written notice to the Owners of such
18 Series 2016 Bonds called for redemption in the same manner as the original redemption notice was sent.

19 (3) Negotiability: Subject to the registration and payment provisions herein
20 provided, the Series 2016 Bonds shall be fully negotiable within the meaning of and for the purposes of the
21 Uniform Commercial Code — Investment Securities, and each Owner shall possess all rights enjoyed by
22 holders of negotiable instruments under the Uniform Commercial Code — Investment Securities.

23 (4) Execution and Authentication: The Series 2016 Bonds shall be executed in the
24 name and on behalf of the City with the manual or facsimile signature of the Mayor, shall be sealed with the
25 manual or facsimile impression of the seal of the City and attested with the manual or facsimile signature of
26 the Clerk. Each Series 2016 Bond shall be authenticated with the manual signature of the Registrar. The
27 Series 2016 Bonds bearing the manual or facsimile signatures of the officers in office at the time of the
28 authorization thereof shall be the valid and binding obligations of the City, subject to the requirement of
29 authentication by the Registrar, notwithstanding that before the delivery thereof and payment therefor or
30 before the transfer or exchange thereof any or all of the Persons whose manual or facsimile signatures appear
31 thereon shall have ceased to fill their respective offices. No Series 2016 Bond shall be valid or obligatory for
32 any purpose or be entitled to any security or benefit under this Ordinance unless the certificate of
33 authentication on such Series 2016 Bond shall have been duly executed by the Registrar, and such executed

1 certificate upon any such Series 2016 Bond shall be conclusive evidence that such Series 2016 Bond has
2 been authenticated and delivered under this Ordinance.

3 (5) Registration, Transfer and Exchange of Bonds: Upon their execution and
4 authentication and prior to their delivery, the Series 2016 Bonds shall be registered for the purpose of payment
5 of principal and interest with the Registrar.

6 Neither the City nor the Registrar shall have any responsibility or obligation with respect to the
7 accuracy of the records of the Securities Depository or a nominee therefor or any Participant with respect to
8 any ownership interest in the Series 2016 Bonds or the delivery to any Participant, Beneficial Owner or any
9 other person of any notice with respect to the Series 2016 Bonds.

10 The Series 2016 Bonds shall be transferable only upon the registration books of the City by the
11 Transfer Agent, at the request of the Owner thereof or his, her or its duly authorized attorney-in-fact or legal
12 representative. A Series 2016 Bond may be transferred upon surrender thereof together with a written
13 instrument of transfer duly executed by the Owner or his, her or its duly authorized attorney-in-fact or legal
14 representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as
15 to the details of the transfer, along with the social security number or federal employer identification number
16 of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and
17 beneficiaries of the trust. The Transfer Agent shall not be required to transfer ownership of any Series 2016
18 Bond during the fifteen (15) days prior to the first mailing of any notice of redemption for any Series 2016
19 Bond or to transfer ownership of any Series 2016 Bond selected for redemption on or after the date of such
20 mailing. The Owner of any Series 2016 Bond or Series 2016 Bonds may also exchange such Series 2016
21 Bond or Series 2016 Bonds for another Series 2016 Bond or Series 2016 Bonds of authorized denominations.
22 Transfers and exchanges shall be made without charge, except that the Transfer Agent may require payment
23 of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in
24 connection with any transfer or exchange of Series 2016 Bonds. No transfer of any Series 2016 Bond shall
25 be effective until entered on the registration books of the City. In the case of every transfer or exchange, the
26 Registrar shall authenticate and the Transfer Agent shall deliver to the new Owner a new Series 2016 Bond
27 or Series 2016 Bonds of the same aggregate principal amount maturing in the same year and bearing interest
28 at the same per annum rate as the Series 2016 Bond or Series 2016 Bonds surrendered. Such Series 2016
29 Bonds shall be dated as of their date of authentication. New Series 2016 Bonds delivered upon any transfer
30 or exchange shall be valid obligations of the City, evidencing the same obligations as the Series 2016 Bonds
31 surrendered, shall be secured by this Ordinance, and shall be entitled to all of the security and benefits hereof
32 to the same extent as the Series 2016 Bonds surrendered. The City may deem and treat the Person in whose
33 name any Series 2016 Bond is last registered upon the books of the City as the absolute Owner thereof for

1 the purpose of receiving payment of the principal of, interest on and any premium due in connection with such
2 Series 2016 Bond and for all other purposes, and all such payments so made to such Person or upon his, her
3 or its order shall be valid and effective to satisfy and discharge the liability of the City upon such Series 2016
4 Bond to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

5 Neither the City nor the Transfer Agent shall have any responsibility or obligation with respect to the
6 accuracy of the records of the Securities Depository or its Participants regarding any ownership interest in the
7 Series 2016 Bonds or transfers thereof.

8 The City may remove the Securities Depository and the Securities Depository may resign by giving
9 sixty (60) days written notice to the other of such removal or resignation. Additionally, the Securities
10 Depository shall be removed sixty (60) days after receipt by the City of written notice from the Securities
11 Depository to the effect that the Securities Depository has received written notice from Participants having
12 interests, as shown in the records of the Securities Depository, in an aggregate principal amount of not less
13 than 50% of the aggregate principal amount of the then outstanding Series 2016 Bonds to the effect that the
14 Securities Depository is unable or unwilling to discharge its responsibilities or a continuation of the
15 requirement that all of the outstanding Series 2016 Bonds be registered in the name of the Securities
16 Depository or a nominee therefor is not in the best interests of the Beneficial Owners. Upon the removal or
17 resignation of the Securities Depository, the Securities Depository shall take such action as may be necessary
18 to assure the orderly transfer of the computerized book-entry system with respect to the Series 2016 Bonds
19 to a successor securities depository or if no successor securities depository is appointed as herein provided,
20 the transfer of the Series 2016 Bonds in certificate form to the Beneficial Owners or their designees. Upon
21 the giving of notice by the City of the removal of the Securities Depository, the giving of notice by the Securities
22 Depository of its resignation or the receipt by the City of notice with respect to the written notice of Participants
23 referred to herein, the City may, within sixty (60) days after the giving of such notice, appoint a successor
24 securities depository upon such terms and conditions as the City shall impose. Any such successor securities
25 depository shall at all times be a registered clearing agency under the Securities and Exchange Act of 1934,
26 as amended, or other applicable statute or regulation, and in good standing thereunder. If the City fails to
27 appoint a successor securities depository within such time period, the Series 2016 Bonds shall no longer be
28 restricted to be registered in the name of the Securities Depository or a nominee therefor, but may be
29 registered in whatever name or names Owners transferring or exchanging Series 2016 Bonds shall designate.

30 (6) Resignation or Removal of Agents: The Paying Agent, Registrar and Transfer
31 Agent may resign, be removed, and be replaced in accordance with the provisions of the Paying Agent
32 Agreement. Every such successor shall be an Insured Bank unless the Treasurer decides to assume the
33 responsibilities of Paying Agent, Registrar or Transfer Agent. It shall not be required that the same institution

1 serve as paying agent, registrar and transfer agent hereunder, but the City shall have the right to have the
2 same institution serve in all or any such capacities.

3 (7) Lost or Stolen Bonds: If any Series 2016 Bond shall be lost, stolen, destroyed
4 or mutilated, the Transfer Agent shall, upon receipt of such evidence, information, indemnity and
5 reimbursement for expenses relating thereto as it and the City may reasonably require, authenticate and
6 deliver a replacement Series 2016 Bond or Series 2016 Bonds of the same aggregate principal amount,
7 interest rate and Maturity Date, bearing a number or numbers not previously assigned. If such lost, stolen,
8 destroyed or mutilated Series 2016 Bond shall have become due and payable or is about to become due and
9 payable, the Paying Agent may pay such Series 2016 Bond in lieu of replacement.

10 (8) Delivery and Cancellation of Bonds; The officers of the City are authorized to
11 deliver to the Registrar fully executed unauthenticated Series 2016 Bonds in such quantities as may be
12 convenient to be held in custody by the Registrar pending use as herein provided.

13 Whenever any Series 2016 Bond shall be surrendered to the Paying Agent upon payment thereof or
14 to the Transfer Agent for the transfer, exchange or replacement as provided herein, such Series 2016 Bond
15 shall be promptly canceled by the Paying Agent or Transfer Agent, which cancellation shall be reported to the
16 Council and certified by the Auditor to the Mayor pursuant to the Charter.

17 (9) Recitals: Each Series 2016 Bond shall recite in substance that the Series 2016
18 Bond is a special and limited obligation of the City payable solely out of and secured by an irrevocable (but
19 not necessarily exclusive) pledge of the Net Pledged Revenues, that the Series 2016 Bond does not constitute
20 a debt or an indebtedness of the City within the meaning of any constitutional, Charter or statutory provision
21 or limitation, that the Series 2016 Bond is not payable in whole or in part from the proceeds of general property
22 taxes or any other funds of the City except the Net Pledged Revenues, and that the full faith and credit of the
23 City is not pledged for the payment of the principal of or interest on the Series 2016 Bond. Each Series 2016
24 Bond shall further recite in substance that the Series 2016 Bond is issued by the City under the authority of
25 the State Constitution, the Charter, the City Code, the Enterprise Ordinance, the Act, the Supplemental Act
26 and this Ordinance.

27 (10) Form of Bonds: Subject to the provisions of this Ordinance and the Sale
28 Certificate, the Series 2016 Bonds shall be in substantially the following form, with such omissions, insertions,
29 endorsements and variations as may be required by the circumstances and as shall be consistent with this
30 Ordinance and the applicable Sale Certificate.

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

UNITED STATES OF AMERICA
STATE OF COLORADO
CITY AND COUNTY OF DENVER, COLORADO,
FOR AND ON BEHALF OF THE WASTEWATER MANAGEMENT DIVISION
OF ITS DEPARTMENT OF PUBLIC WORKS
WASTEWATER ENTERPRISE REVENUE BOND
SERIES 2016

No. R-__ \$ _____

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL DATE</u>	<u>CUSIP</u>
____%	November 1, ____	_____, 2016	_____

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM:

The City and County of Denver, Colorado, for and on behalf of the Wastewater Management Division of its Department of Public Works (the “City”), for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum (specified above), in lawful money of the United States of America, on the Maturity Date (specified above), with interest thereon from the Original Date (specified above), or the interest payment date to which interest has been paid next preceding the date hereof, whichever is later, to the Maturity Date, except if redeemed prior thereto, at the per annum Interest Rate (specified above), computed on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days each, payable semiannually on the first day of May and the first day of November of each year, commencing on May 1, 2017, or the first such date

1 after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity
2 payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate until the
3 Principal Sum is paid in full.

4 This Series 2016 Bond is one of an authorized series of Series 2016 Bonds (the "Series 2016 Bonds")
5 issued pursuant to an Ordinance adopted by the City Council of the City (the "Ordinance"). This Series 2016
6 Bond bears interest, matures, is payable, and is transferable as provided in the Ordinance and a Sale
7 Certificate executed by either the Mayor or the Manager of Finance, ex officio Treasurer of the City prior to
8 the delivery of the Series 2016 Bonds. To the extent not defined herein, terms used herein are used as
9 defined in the Ordinance. Reference is made to the Ordinance and to all ordinances supplemental thereto,
10 with respect to the nature and extent of the security for the Series 2016 Bonds, rights, duties and obligations
11 of the City, the rights of the Owners of the Series 2016 Bonds, the rights, duties and obligations of the Paying
12 Agent, Registrar and Transfer Agent, the circumstances under which any Series 2016 Bond is no longer
13 Outstanding, and to all the provisions of which the Owner hereof by the acceptance of this Series 2016 Bond
14 assents.

15 [Include Redemption Provisions from Sale Certificate]

16 Series 2016 Bonds that are redeemable prior to their respective maturity dates may be redeemed in
17 part if issued in denominations that are integral multiples of \$5,000. In such case the Series 2016 Bond is to
18 be surrendered in the manner provided for transfers of ownership. Upon payment of the redemption price the
19 Registered Owner is to receive a new Series 2016 Bond or Series 2016 Bonds of authorized denominations
20 in aggregate principal amount equal to the unredeemed portion of the Series 2016 Bond surrendered.

21 The principal of, interest on and any premium due in connection with the redemption of this Series
22 2016 Bond are payable to the Registered Owner by Zions Bank, a division of ZB, National Association, or
23 such successor as appointed under the Ordinance, as paying agent. So long as the Registered Owner is a
24 securities depository or a nominee therefor, the securities depository is to disburse any payments received,
25 through its participants or otherwise, to the beneficial owner or owners hereof.

26 Neither the City nor the Paying Agent has any responsibility or obligation for the payment to any
27 participant, any beneficial owner hereof or any other person (except the Registered Owner) of the principal of
28 and interest on this Series 2016 Bond.

29 Neither the City nor the Registrar has any responsibility or obligation with respect to the accuracy of
30 the records of the Securities Depository or a nominee therefor or any participant with respect to any ownership

1 interest in the Series 2016 Bonds or the delivery to any participant, beneficial owner or any other person
2 (except the Registered Owner) of any notice with respect to the Series 2016 Bonds.

3 This Series 2016 Bond is transferable only as set forth in the Ordinance and only upon the registration
4 books of the City by Zions Bank, a division of ZB, National Association, or such successor as appointed under
5 the Ordinance, as its Transfer Agent. The Transfer Agent is not required to transfer ownership of this Series
6 2016 Bond during the fifteen (15) days prior to the first mailing of any notice of redemption or to transfer
7 ownership of any Series 2016 Bond selected for redemption on or after the date of such mailing. The
8 Registered Owner may also exchange this Series 2016 Bond for another Series 2016 Bond or Series 2016
9 Bonds of authorized denominations. The City may deem and treat the person in whose name this Series
10 2016 Bond is last registered upon the books of the City as the absolute owner hereof for the purpose of
11 receiving payment of the principal of and interest on this Series 2016 Bond and for all other purposes, and all
12 such payments so made to such person or upon his, her or its order will be valid and effective to satisfy and
13 discharge the liability of the City upon this Series 2016 Bond to the extent of the sum or sums so paid, and
14 the City will not be affected by any notice to the contrary.

15 Neither the City nor the Transfer Agent has any responsibility or obligation with respect to the accuracy
16 of the records of the Securities Depository or its participants regarding any ownership interest in the Series
17 2016 Bonds or transfers thereof.

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

20 Payment of the principal of, interest on and any premium due in connection with the redemption of this
21 Series 2016 Bond is to be made solely from, and as security for such payment there are irrevocably (but not
22 exclusively) pledged, pursuant to the Ordinance, the Net Pledged Revenues, which consist of certain
23 revenues derived from the operation and use of and otherwise pertaining to the storm drainage facilities and
24 the sanitary sewerage facilities of the City after provision is made for the payment of all Operation and
25 Maintenance Expenses. The City has covenanted in the Ordinance to pay into a special fund identified as
26 the Debt Service Fund, from the Net Pledged Revenues, sums sufficient to pay when due the principal of and
27 interest on the Series 2016 Bonds. The Series 2016 Bonds are not secured by a reserve account.

28 It is hereby recited, certified and warranted that for the payment of the principal of, interest on and any
29 premium due in connection with the redemption of this Series 2016 Bond, the City has created and will
30 maintain said special funds and will deposit the Net Pledged Revenues therein, and out of said special funds,
31 as an irrevocable charge thereon, the City will pay the principal of, interest on and any premium due in
32 connection with the redemption of this Series 2016 Bond in the manner provided by the Ordinance.

1 The Series 2016 Bonds are equitably and ratably secured by a lien on the Net Pledged Revenues,
2 and such Series 2016 Bonds constitute an irrevocable and first lien (but not an exclusive first lien) upon the
3 Net Pledged Revenues. Bonds and other types of securities, in addition to the Series 2016 Bonds, subject
4 to expressed conditions, may be issued and made payable from the Net Pledged Revenues having a lien
5 thereon subordinate and junior to the lien of the Series 2016 Bonds or, subject to additional expressed
6 conditions, having a lien thereon on a parity with the lien of the Series 2016 Bonds in accordance with the
7 provisions of the Ordinance.

8 The City covenants and agrees with the Registered Owner that the City will keep and will perform all
9 of the covenants of this Series 2016 Bond and of the Ordinance and the Sale Certificate.

10 This Series 2016 Bond is authorized and issued by the City, under the authority and in full conformity
11 with the Constitution of the State of Colorado, the home rule charter of the City (the "Charter"), the City Code,
12 the Enterprise Ordinance, a resolution of the Manager of Public Works of the City, part 4 of article 35 of title
13 31, Colorado Revised Statutes, as amended (the "Act"), part 2 of article 57 of title 11, Colorado Revised
14 Statutes, as amended (the "Supplemental Act"), and all other laws of the State of Colorado thereunto enabling
15 and pursuant to the Ordinance, for the purpose of (a) financing the acquisition, improvement and equipment
16 of certain storm drainage facilities and/or sanitary sewerage facilities for the City and (b) paying certain costs
17 of issuance related thereto. The Act provides that the foregoing recital conclusively imparts full compliance
18 with all of the provisions and limitations of the Act, and that this Series 2016 Bond is incontestable for any
19 cause whatsoever after its delivery for value. Pursuant to Section 11-57-210 of the Supplemental Act, this
20 recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their
21 delivery for value.

22 Reference is hereby made to the Ordinance, and to any and all modifications and amendments
23 thereof, for a description of the provisions, terms and conditions upon which the Series 2016 Bonds of this
24 issue are issued and secured, including, without limitation, the nature and extent of the security for the Series
25 2016 Bonds, provisions with respect to the custody and application of the proceeds of the Series 2016 Bonds,
26 the collection and disposition of the revenues and moneys charged with and pledged to the payment of the
27 principal of, interest on and any premium due in connection with the redemption of the Series 2016 Bonds,
28 the terms and conditions on which the Series 2016 Bonds are issued, a description of the special funds
29 referred to above and the nature and extent of the security and pledge afforded thereby for the payment of
30 the principal of, interest on and any premium due in connection with the redemption of the Series 2016 Bonds,
31 and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the
32 City and the members of its governing body and also the rights and remedies of the registered owners of the
33 Series 2016 Bonds.

1 To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance, or any
2 instrument amendatory thereof or supplemental thereto, may be modified or amended by action of the City
3 taken in the manner and subject to the conditions and exceptions provided in the Ordinance. The pledge of
4 revenues and other obligations of the City under the Ordinance may be discharged at or prior to the maturity
5 or prior redemption of the Series 2016 Bonds upon the making of provision for the payment of the Series 2016
6 Bonds on the terms and conditions set forth in the Ordinance.

7 It is hereby recited, certified and warranted that all the requirements of law have been fully complied
8 with by the proper officers of the City in the issuance of this Series 2016 Bond; that it is issued pursuant to
9 and in strict conformity with the Constitution and all other laws of the State of Colorado, including the City
10 Charter and ordinances, and with the Ordinance; that this Series 2016 Bond does not contravene any
11 constitutional or statutory provision or limitation of the State of Colorado, or any limitation of the City Charter;
12 and that this Series 2016 Bond is issued under the authority of the Ordinance.

13 This Series 2016 Bond is a special and limited obligation of the City payable solely out of and secured
14 by an irrevocable (but not exclusive) pledge of the Net Pledged Revenues, as more specifically provided in
15 the Ordinance. This Series 2016 Bond does not constitute a debt or an indebtedness of the City within the
16 meaning of any constitutional, charter or statutory provision or limitation. This Series 2016 Bond is not
17 payable 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 the full faith and credit of the City is not pledged for the payment of the
19 principal of or interest on this Series 2016 Bond.

20 [Remainder of page intentionally left blank]

1 IN WITNESS WHEREOF, the City has caused this Series 2016 Bond to be executed in
2 its name with the facsimile or manual signature of its Mayor, to be sealed with the facsimile or
3 manual impression of its seal and to be attested with the facsimile or manual signature of its Clerk
4 and Recorder, ex officio Clerk.

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

9
10 By: (Facsimile or Manual Signature)
11 Mayor

12 (CITY)
13 (SEAL)

14 ATTEST.

15 (Facsimile or Manual Signature)
16 Clerk and Recorder, ex official Clerk

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CERTIFICATE OF AUTHENTICATION

This Series 2016 Bond is issued pursuant to the Ordinance herein described. Attached hereto are the complete texts of the opinions of co-bond counsel, Kutak Rock LLP, Denver, Colorado and Kline Alvarado Veio, P.C., Denver, Colorado, signed copies of which, dated the date of the first delivery of the Series 2016 Bonds herein described, are on file with the undersigned.

ZIONS BANK, a division of ZB, NATIONAL ASSOCIATION
as registrar

By: (Manual Signature)
Authorized Officer

Dated: _____, 2016

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ABBREVIATIONS

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

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

Under Uniform Transfers to Minors Act

(State)

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

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ASSIGNMENT

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

Assignor's Signature: _____

Dated: _____

Signature Guaranteed by a Member of the Medallion Signature Program.

Name and address of transferee:

Social Security or other tax identification number of transferee:

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

[End of Form of Series 2016 Bond]

1 D. Series 2016 Bonds Equally Secured. The covenants and agreements herein set forth
2 to be performed by the City shall be for the equal benefit, protection and security of the Owners of the Series
3 2016 Bonds, any Additional Parity Bonds and any Parity Securities then Outstanding, all of which, regardless
4 of the purpose or purposes for which they were issued or the time or times of their maturity, shall be of equal
5 rank without preference, priority or distinction of any of the Series 2016 Bonds, any Additional Parity Bonds
6 and any Parity Securities then Outstanding over any other thereof, except as otherwise expressly provided in
7 or pursuant to this Ordinance.

8 E. Special Obligations; Pledge of Net Pledged Revenues. All of the Series 2016 Bonds,
9 as to all Debt Service Requirements thereof, shall be payable solely out of the Net Pledged Revenues. The
10 Owners of the Series 2016 Bonds may not look to the general fund or any other fund of the City for the
11 payment of the Debt Service Requirements, except the special funds pledged therefor. The Series 2016
12 Bonds shall not constitute a debt or indebtedness of the City within the meaning of any constitutional, Charter
13 or statutory provision or limitation, and the Series 2016 Bonds shall not be considered or held to be general
14 obligations of the City but shall constitute special and limited obligations of the City. The Series 2016 Bonds
15 are not payable in whole or in part from the proceeds of general property taxes or any other fund of the City
16 except the Net Pledged Revenues, and the full faith and credit of the City is not pledged for payment of the
17 Series 2016 Bonds.

18 The Net Pledged Revenues are hereby pledged to secure the payment of the Debt Service
19 Requirements of the Series 2016 Bonds, and a lien thereon is hereby created to secure the payment thereof,
20 subject to the terms and provisions hereof. Moneys on deposit in the Debt Service Fund and the Construction
21 Fund are hereby pledged to secure the payment of the Debt Service Requirements of the Series 2016 Bonds,
22 and a lien thereon is hereby created to secure the payment thereof, subject to the terms and provisions hereof.
23 This pledge shall be valid and binding from and after the date of the delivery of the Series 2016 Bonds. The
24 creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Series 2016
25 Bonds as provided herein shall be governed by § 11-57-208 of the Supplemental Act and this Ordinance.
26 The revenues pledged for the payment of the Series 2016 Bonds, as received by or otherwise credited to the
27 City, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act.
28 The lien of such pledge on the revenues pledged for payment of the Series 2016 Bonds and the obligation to
29 perform the contractual provisions made herein shall have priority over any or all other obligations and
30 liabilities of the City except any Parity Securities heretofore or hereafter authorized. The lien of such pledge
31 shall be valid, binding, and enforceable as against all persons or entities having claims of any kind in tort,
32 contract, or otherwise against the City (except as herein otherwise provided) irrespective of whether such
33 persons or entities have notice of such liens.

1 Section 4. Approval, Authorization and Amendments.

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

6 B. The Notice of Sale is hereby approved in substantially the form filed with the Clerk,
7 provided that such Notice of Sale may be completed, corrected or revised as deemed necessary by the
8 Treasurer or the City's Co-Bond Counsel in order to carry out the purposes of this Ordinance. The Treasurer
9 is hereby authorized and directed to cause the Notice of Sale to be distributed to prospective bidders on such
10 Series 2016 Bonds.

11 C. The printing, distribution and use of the Preliminary Official Statement in substantially
12 the form on file with the Clerk is hereby approved, with such amendments, additions and deletions as are in
13 accordance with the facts and not inconsistent herewith. The Treasurer is authorized to prepare or cause to
14 be prepared, and the Mayor and the Treasurer are authorized and directed to approve, on behalf of the City,
15 and execute a final Official Statement for use in connection with the offering and sale of the Series 2016
16 Bonds in substantially the form of the Preliminary Official Statement, but with such amendments, additions
17 and deletions as are in accordance with the facts and not inconsistent herewith. The execution of a final
18 Official Statement by the Mayor and the Treasurer shall be conclusively deemed to evidence the approval of
19 the form and contents thereof by the City.

20 D. The Mayor, the Auditor of the City, the Clerk, the Manager of Finance, ex-officio
21 Treasurer, and other officers and employees of the City are hereby independently authorized and directed to
22 take all action necessary or appropriate to effect the provisions of this Ordinance, including without limiting
23 the generality of the foregoing, executing, attesting, authenticating and delivering for and on behalf of the City
24 the Series 2016 Bonds and such other agreements, instruments, certificates and opinions as may be required
25 to implement the transactions contemplated hereby, or as may otherwise be reasonably required by Co-Bond
26 Counsel or the Underwriters, and the taking of such other action in cooperation with Co-Bond Counsel or the
27 Underwriters as they may reasonably request to qualify the Series 2016 Bonds for offer and sale under the
28 securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters
29 may designate.

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

1 Section 5. Disposition of Bond Proceeds and Income; Funds and Accounts Adopted or
2 Created by Ordinance; Security for Series 2016 Bonds.

3 The proceeds of the Series 2016 Bonds and the Income shall be deposited by the City in the funds
4 and accounts described in this Section 5, to be accounted for in the manner and priority set forth in this
5 Section 5. Neither the Underwriter nor any subsequent Owner of any Series 2016 Bonds shall be in any
6 manner responsible for the application or disposal by the City or by any of its officers, agents and employees
7 of the moneys derived from the sale of the Series 2016 Bonds or of any other moneys designated in this
8 Section 5.

9 A. Construction Fund. To the extent that all or a portion of the net proceeds of the Series
10 2016 Bonds are to be applied to finance the Costs of the Project, as set forth in the Sale Certificate, there
11 shall be deposited in the “Wastewater Enterprise Revenue Bonds, Series 2016, Bond Proceeds Construction
12 Fund” (the “Construction Fund”) hereby created and held by the City such net proceeds of the Series 2016
13 Bonds as set forth in the Sale Certificate. Such net proceeds so deposited in the Construction Fund shall be
14 maintained, used and withdrawn only as provided in this Section 5A.

15 The proceeds of the Series 2016 Bonds so deposited in the Construction Fund, except as herein
16 otherwise expressly provided, shall be used and paid out from time to time solely for the purpose of paying
17 the Cost of the Project. Any such proceeds remaining in the Construction Fund after completion of the Project,
18 excluding investment earnings that may be required to be deposited in the Rebate Account or rebated to the
19 federal government, shall be deposited in the Debt Service Fund and used for the purposes of the Debt
20 Service Fund or, at the option of the City, may be used to the extent feasible to call and redeem Series 2016
21 Bonds in advance of maturity.

22 The City shall use any proceeds of the Series 2016 Bonds deposited in the Construction Fund, without
23 further order, to pay the Debt Service Requirements of the Series 2016 Bonds as the same become due
24 whenever and to the extent moneys in the Debt Service Fund or moneys otherwise available therefor are
25 insufficient for that purpose, unless such proceeds shall be needed to defray obligations accrued and to
26 accrue under any contracts then existing and pertaining to the Project. Any moneys so used shall be restored
27 to the Construction Fund from the first Net Pledged Revenues thereafter received and not needed to meet
28 the requirements provided in Section 5E hereof.

29 B. Costs of Issuance Fund. There shall be deposited into the Costs of Issuance Fund
30 hereby created with the Paying Agent and designated as the “Wastewater Enterprise Revenue Bonds, Series
31 2016, Costs of Issuance Fund” (the “Costs of Issuance Fund”) the amount set forth in the Sale Certificate,
32 which shall be an amount determined by the Mayor or the Treasurer, as the case may be, to be sufficient to
33 pay, together with other funds of the City legally available for said purpose, the costs of issuance for the

1 applicable Series 2016 Bonds. Any amounts on deposit in the Costs of Issuance Fund remaining after the
2 payment of all the costs of issuance of the applicable Series 2016 Bonds shall be remitted by the Paying
3 Agent to the City and may, at the option of the Treasurer, be transferred to the Construction Fund and spent
4 on the costs of the Project or used by the City for any lawful purposes thereof. Nothing herein shall preclude
5 payment of Costs of Issuance from the Construction Fund, if necessary.

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

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

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

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

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

25 (4) Fourth, to the Construction Fund, in the manner set forth in Section 5A hereof,
26 to restore any amounts to the Construction Fund that have been applied to the payment of the Debt Service
27 Requirements of the Series 2016 Bonds;

28 (5) Fifth, to the payment of the Debt Service Requirements of Subordinate Bonds
29 or other Subordinate Securities in accordance with Section 5G hereof; 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 Wastewater Management
2 Enterprise Fund, there shall be deposited from time to time in the Operation and Maintenance Fund heretofore
3 created within the Wastewater Management Enterprise Fund moneys sufficient to pay the Operation and
4 Maintenance Expenses of the Storm Drainage Facilities and the Sanitary Sewerage Facilities as they become
5 due and payable, and thereupon the Operation and Maintenance Expenses shall be promptly paid.

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

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

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

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

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

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

9 At the time of the transfer of such moneys from the Debt Service Fund to the Paying Agent as provided
10 herein, the Paying Agent shall notify the City if the amounts so transferred or deposited (together with any
11 amounts available for such purpose theretofore transferred or on deposit with the Paying Agent) will not be
12 sufficient to pay the installment of principal or interest, or both, as the case may be, next due on the Series
13 2016 Bonds, the Series 2012 Bonds, and any Additional Parity Bonds secured by the Debt Service Fund. If
14 such amounts are not sufficient to make such payments, the Paying Agent shall notify the City of the amount
15 of any deficiency and the additional amount of moneys that are required to be transferred or deposited with
16 the Paying Agent and applied to such payment. The Series 2016 Bonds are not secured by a reserve account.

17 The moneys credited to the Debt Service Fund, excluding investment earnings that are required to be
18 deposited in the Rebate Account or rebated to the federal government, shall be used to pay the Debt Service
19 Requirements of the then Outstanding Series 2016 Bonds, the then Outstanding Series 2012 Bonds, and any
20 Additional Parity Bonds secured by the Debt Service Fund, as such Debt Service Requirements become due,
21 except as otherwise provided in this Ordinance, and are hereby pledged therefor.

22 Nothing herein shall be construed so as to prevent the City from creating separate subaccounts within
23 the Debt Service Fund for the Series 2016 Bonds, the Series 2012 Bonds, any Additional Parity Bonds, and
24 any Parity Securities and accounting separately for any deposits made thereto on account of the Series 2016
25 Bonds, the Series 2012 Bonds, any Additional Parity Bonds, and any Parity Securities or from creating
26 separate debt service funds for the Series 2012 Bonds, Additional Parity Bonds or any Parity Securities, if
27 such action is deemed by the City to be necessary or desirable, provided that any such separate subaccounts
28 shall have claims to the Net Pledged Revenues equal to and on a parity with those of the other such
29 subaccounts and any such separate debt service fund shall have a claim to the Net Pledged Revenues equal
30 to and on a parity with that of the Debt Service Fund.

31 F. Termination of Deposits. No payment need be made into the Debt Service Fund if the
32 amount of cash and Permitted Investments in the Debt Service Fund, plus the amount on deposit in any

1 separate reserve account established in connection with the issuance of Additional Parity Bonds, total a sum
2 at least equal to the entire amount of the Outstanding Series 2016 Bonds, Outstanding Series 2012 Bonds,
3 any Outstanding Additional Parity Bonds, and any Outstanding Parity Securities, as to all Debt Service
4 Requirements, to their respective Maturity Dates or to any Redemption Date or Redemption Dates on which
5 the City shall have exercised or shall have obligated itself to exercise its option to redeem, prior to their
6 respective Maturity Dates, any Series 2016 Bonds, any Series 2012 Bonds, any Additional Parity Bonds, and
7 any Parity Securities then Outstanding and thereafter maturing (provided that, solely for the purpose of this
8 Section 5F, there shall be deemed to be a credit to any reserve account any cash or Permitted Investments
9 accounted for in any other fund or account of the City and restricted solely for the purpose of paying the Debt
10 Service Requirements of any Additional Parity Bonds or any other Parity Security), in which case cash or
11 Permitted Investments in the Debt Service Fund and any reserve account in an amount, except for any known
12 interest or other gain to accrue from any investment or deposit of moneys pursuant to Section 6B hereof from
13 the time of any such investment or deposit to the time or respective times the proceeds of any such investment
14 or deposit shall be needed for such payment, at least equal to such Debt Service Requirements, shall be
15 used together with any such gain from such investments and deposits solely to pay such Debt Service
16 Requirements as the same become due. Any moneys in excess thereof in the Debt Service Fund and any
17 other moneys derived from the Income or otherwise pertaining to the Storm Drainage Facilities or the Sanitary
18 Sewerage Facilities may be used in any lawful manner permitted by this Ordinance.

19 G. Payment of Subordinate Securities. After there has been credited or deposited to the
20 Debt Service Fund in the current month the amount required pursuant to Section 5E hereof, and after the
21 restoration of the Construction Fund then required to be made by Section 5A in the current month have been
22 made, any Net Pledged Revenues remaining in the Wastewater Management Enterprise Fund in such month
23 may be used by the City for the payment of Debt Service Requirements of Subordinate Securities payable
24 from the Net Pledged Revenues including reasonable reserves for such Subordinate Securities; but the lien
25 of such subordinate Securities on the Net Pledged Revenues and the pledge thereof for the payment of such
26 Subordinate Securities shall be subordinate to the lien and pledge of the Series 2016 Bonds, any Additional
27 Parity Bonds and any Parity Securities as herein provided.

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

1 Management Enterprise Fund may be used for any combination of lawful purposes pertaining to the Storm
2 Drainage Facilities or the Sanitary Sewerage Facilities.

3 I. Budget and Appropriation of Sums. The sums required to make the payments specified
4 in this Section 5 are hereby appropriated for said purposes. The Treasurer is hereby authorized and directed
5 to pay or cause to be paid the interest on the Series 2016 Bonds as the same becomes due and the principal
6 of the Series 2016 Bonds at maturity or upon prior redemption without further warrant or order. The moneys,
7 proceeds of the Series 2016 Bonds and interest earnings thereon, deposited in the funds and accounts
8 referred to or created herein are hereby appropriated for the purposes of this Section 5. No provisions of any
9 constitution, Charter, statute, ordinance, resolution, or other order or measure enacted after the issuance of
10 the Series 2016 Bonds shall in any manner be construed as limiting or impairing the obligation of the City to
11 keep and perform the covenants contained in this Ordinance so long as any of the Series 2016 Bonds remain
12 Outstanding and unpaid.

13 J. Rebate Account. The City shall transfer into a special account hereby created and
14 designated as the “Wastewater Enterprise Revenue Bonds, Series 2016, Rebate Account” (the “Rebate
15 Account”) the estimated amounts of arbitrage rebate, if any, and penalties, if any, due to the federal
16 government under Sections 103 and 148 of the Tax Code and the regulations thereunder relating to the Series
17 2016 Bonds. Transfer of said amounts shall be made from any or all of the funds or accounts referred to
18 herein, to the extent of funds available therefore, but the required arbitrage rebate payments shall be made
19 to the federal government from any legally available funds if there are no proceeds of the Series 2016 Bonds
20 or investment earnings thereon deposited in the funds or accounts referred to herein available for such
21 purpose. The amounts so transferred shall be such that within sixty (60) days after each computation date
22 selected by the City in accordance with Section 148(f) of the Tax Code and the regulations thereunder the
23 amount in the Rebate Account is at least equal to the greater of (a) the amount that the City estimates is
24 rebatable on account of investment during the applicable period or (b) such other amount as the City deems
25 necessary or prudent to provide for payment of the amount actually rebatable in accordance with Section
26 148(f) of the Tax Code and the regulations thereunder.

27 The City shall compute the amount actually rebatable as of each installment computation date and
28 pay the United States Treasury 90% thereof within sixty (60) days and the balance, together with interest and
29 penalties, if any, as required by Section 148(f) of the Tax Code and the regulations thereunder, within sixty
30 (60) days after all the Series 2016 Bonds have been discharged, provided that computations and payments
31 may be made on other bases, at other times and in other amounts, or omitted altogether, to the extent
32 nationally recognized bond counsel opines that such action will not adversely affect the tax treatment of
33 interest on the Series 2016 Bonds.

1 The City shall hold the Rebate Account separate and apart from all other funds and accounts of the
2 City and shall maintain the Rebate Account until sixty (60) days after all the Series 2016 Bonds have been
3 discharged. The City shall retain the records of the determinations of the amounts required to be deposited
4 in the Rebate Account, of the proceeds of any investments of moneys in the Rebate Account and of the
5 amounts paid to the United States Treasury until the date six (6) years after the discharge of the last of the
6 Series 2016 Bonds.

7 Section 6. General Administration of Funds and Accounts.

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

18 B. Investment of Funds. Any moneys in any fund or account described in Section 5 hereof
19 may be invested, reinvested or deposited only in Permitted Investments. Permitted Investments shall either
20 be subject to redemption at any time at face value by the Owner thereof at the option of such Owner or shall
21 mature at such time or times as shall most nearly coincide with the expected need for moneys from the fund
22 or account in question. Permitted Investments so purchased as an investment of moneys in any such fund
23 or account shall be deemed at all times to be a part of the applicable fund or account; provided that (with the
24 exception of the Rebate Account) the interest accruing on such investments and any profit realized therefrom
25 shall be credited to the Wastewater Management Enterprise Fund, and any loss resulting from such
26 investments shall be charged to the particular fund or account in question. Permitted Investments shall be
27 valued by the Treasurer as frequently as deemed necessary, but not less often than quarterly, at the market
28 value thereof, exclusive of accrued interest. The City shall present for redemption or sale on the prevailing
29 market any securities or obligations so purchased as an investment of moneys in a given fund whenever it
30 shall be necessary to do so in order to provide moneys to meet any required payment or transfer from such
31 fund. The City shall not invest any moneys accounted for hereunder if any such investment would contravene
32 the covenant contained in Section 8R hereof.

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

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

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

13 Section 7. Priorities; Liens; Issuance of Additional Series 2016 Bonds.

14 A. First Lien on Net Pledged Revenues; Equality of Series 2016 Bonds. Except as
15 expressly provided in this Ordinance with respect to Additional Parity Bonds, Parity Securities and
16 Subordinate Securities, the Net Pledged Revenues shall be and hereby are irrevocably pledged to pay the
17 Debt Service Requirements of the Series 2016 Bonds, subject to the terms and provisions of this Ordinance.

18 The Series 2016 Bonds constitute an irrevocable and first lien (but not an exclusive first lien) upon the
19 Net Pledged Revenues.

20 The Series 2016 Bonds, any Additional Parity Bonds and any Parity Securities issued and from time
21 to time Outstanding are equitably and ratably secured by a lien on the Net Pledged Revenues and shall not
22 be entitled to any priority one over the other in the application of the Net Pledged Revenues regardless of the
23 purpose or purposes for which they were issued or the time or times of the issuance thereof, it being the
24 intention of the City that there shall be no priority among the Series 2016 Bonds, any Additional Parity Bonds
25 and any Parity Securities, regardless of the fact that they may be actually issued and delivered at different
26 times.

27 B. Issuance of Additional Parity Bonds. The City and/or the Enterprise may issue
28 Additional Parity Bonds that are payable from and that have a lien on all or a portion of the Net Pledged
29 Revenues that is on a parity with, but not prior or superior to, the lien thereon of the Series 2016 Bonds and
30 any Parity Securities, upon compliance with the following terms and conditions.

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

3 (2) Historic Revenues Tests. Except as hereinafter provided in the case of
4 Additional Parity Bonds issued for the purpose of refunding less than all of the Series 2016 Bonds and any
5 Parity Securities then Outstanding, the Net Pledged Revenues for the last complete Fiscal Year prior to the
6 issuance of the proposed Additional Parity Bonds, as certified by an Independent Accountant, a Qualified
7 Consultant or the Treasurer, must have been equal to at least one hundred twenty-five percent (125%) of the
8 Combined Average Annual Debt Service Requirements of the Series 2016 Bonds then Outstanding, any
9 Parity Securities then Outstanding, and the Additional Parity Bonds proposed to be issued plus one hundred
10 percent (100%) of all Policy Costs and other similar amounts then due and owing. If any increase in storm
11 drainage or sanitary sewer rates, fees or charges is made by the City during such Fiscal Year or prior to the
12 issuance of such Additional Parity Bonds, the Independent Accountant, Qualified Consultant or Treasurer
13 may adjust the calculation of the Net Pledged Revenues to reflect the amount thereof that would have been
14 received if such rate increase had been in effect throughout such Fiscal Year. In the case of Additional Parity
15 Bonds issued for the purpose of refunding less than all of the Series 2016 Bonds and Parity Securities then
16 Outstanding, compliance with this Section 7B(2) shall not be required so long as the Debt Service
17 Requirements payable on all Series 2016 Bonds and Parity Securities Outstanding after the issuance of such
18 Additional Parity Bonds in each Bond Year does not exceed the Debt Service Requirements payable on all
19 Series 2016 Bonds and other Parity Securities Outstanding prior to the issuance of such Additional Parity
20 Bonds in each such Bond Year.

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

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

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

8 E. Superior Securities Prohibited. Neither the City nor the Enterprise shall issue any
9 Superior Bonds or Superior Securities.

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

13 Section 8. Covenants.

14 The City hereby particularly covenants and agrees with the Owners of the Series 2016 Bonds from
15 time to time, and makes provisions which shall be a part of its contract with such Owners, which covenants
16 and provisions shall be kept by the City continuously until all of the Series 2016 Bonds have been fully paid
17 or discharged.

18 A. Rate Maintenance. The City shall prescribe, revise and collect storm drainage and
19 sanitary sewer rates, fees and charges that shall produce Income sufficient, together with any other moneys
20 legally available therefor and credited to the Wastewater Management Enterprise Fund, to make the
21 payments and accumulations required by this Ordinance and that shall produce Income sufficient, together
22 with all other moneys legally available therefor and credited to the Wastewater Management Enterprise Fund
23 after payment of Operation and Maintenance Expenses, to pay an amount at least equal to one hundred
24 twenty-five percent (125%) of the Combined Average Annual Debt Service Requirements for the Outstanding
25 Series 2016 Bonds and every other issue of Outstanding Additional Parity Bonds or Parity Securities plus any
26 amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Net
27 Pledged Revenues or any securities payable therefrom plus one hundred percent (100%) of all Policy Costs
28 or other similar amounts then due and owing.

29 In the event that Net Pledged Revenues derived from the operation of the Storm Drainage Facilities
30 are insufficient to pay the Operation and Maintenance Expenses of the Storm Drainage Facilities and the
31 Debt Service Requirements of any Series 2016 Bonds, any Additional Parity Bonds or any Parity Securities

1 issued to finance or refinance Storm Drainage Facilities and Net Pledged Revenues derived from the Sanitary
2 Sewerage Facilities are actually expended for such Operation and Maintenance Expenses and such Debt
3 Service Requirements, the City shall prescribe, revise and collect storm drainage rates, fees and charges
4 sufficient to replenish to the Wastewater Management Enterprise Fund any Net Pledged Revenues derived
5 from the operation of the Sanitary Sewerage Facilities that were used for such Storm Drainage Facilities
6 purposes.

7 In the event that Net Pledged Revenues derived from the operation of the Sanitary Sewerage Facilities
8 are insufficient to pay the Operation and Maintenance Expenses of the Sanitary Sewerage Facilities and the
9 Debt Service Requirements of any Series 2016 Bonds, any Additional Parity Bonds or any Parity Securities
10 issued to finance or refinance Sanitary Sewerage Facilities and Net Pledged Revenues derived from the
11 Storm Drainage Facilities are actually expended for such Operation and Maintenance Expenses and such
12 Debt Service Requirements, the City shall prescribe, revise and collect sanitary sewer rates, fees and charges
13 sufficient to replenish to the Wastewater Management Enterprise Fund any Net Pledged Revenues derived
14 from the operation of the Storm Drainage Facilities that were used for such Sanitary Sewerage Facilities
15 purposes.

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

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

26 C. Performance of Duties. The City, acting by and through its officers, or otherwise, shall
27 faithfully and punctually perform, or cause to be performed, all duties with respect to the Income, the Storm
28 Drainage Facilities and the Sanitary Sewerage Facilities required by the Constitution and laws of the State
29 and the Charter, ordinances, resolutions and contracts of the City, including without limitation the proper
30 segregation of the proceeds of the Series 2016 Bonds and the Income and their application from time to time
31 to the respective funds and accounts provided therefor.

1 D. Costs of Issuance and of Performance. Except as otherwise specifically provided
2 herein, all costs and expenses incurred in connection with the issuance of the Series 2016 Bonds, payment
3 of the Debt Service Requirements of the Series 2016 Bonds, or the performance of or compliance with any
4 covenant or agreement contained in this Ordinance shall be paid exclusively (but only from the appropriate
5 special fund or account in the manner authorized herein) from the proceeds of the Series 2016 Bonds, the
6 Net Pledged Revenues, or other legally available moneys of the Enterprise, and in no event shall any of such
7 costs or expenses be required to be paid out of or charged to the general fund of the City.

8 E. Contractual Obligations. The City shall perform all contractual obligations undertaken
9 by it under any agreements relating to the Series 2016 Bonds, the Income, the Storm Drainage Facilities and
10 the Sanitary Sewerage Facilities.

11 F. Further Assurances. At any and all times the City shall, so far as it may be authorized
12 by law, pass, make, do, execute, acknowledge, deliver, and file or record all and every such further
13 instruments, acts, deeds, conveyances, assignments, transfers, other documents, and assurances as may
14 be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and
15 singular the rights, the Net Pledged Revenues and other funds hereby pledged or assigned, or intended so
16 to be, or which the City may hereafter become bound to pledge or assign, or as may be reasonable and
17 required to carry out the purposes of this Ordinance. The City, acting by and through its officers, or otherwise,
18 shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Net Pledged
19 Revenues and other funds and accounts pledged hereunder and all the rights of every Owner of any of the
20 Series 2016 Bonds against all claims and demands of all Persons.

21 G. Conditions Precedent. Upon the date of issuance of any of the Series 2016 Bonds, all
22 conditions, acts and things required by the Constitution or laws of the State, the Charter, the City Code, the
23 Enterprise Ordinance, the ordinance authorizing the issuance of the Series 2012 Bonds, the Act, the
24 Supplemental Act and this Ordinance to exist, to have happened, and to have been performed precedent to
25 or in the issuance of the Series 2016 Bonds shall exist, have happened and have been performed, and the
26 Series 2016 Bonds, together with all other obligations of the City, shall not contravene any debt or other
27 limitation prescribed by the Constitution or laws of the State, the Charter, the City Code, the Enterprise
28 Ordinance, the ordinance authorizing the issuance of the Series 2012 Bonds, or the Act.

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

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

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

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

16 K. Payment of Governmental Charges. The City shall pay or cause to be paid all taxes
17 and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in
18 respect of the Storm Drainage Facilities or the Sanitary Sewerage Facilities, or upon any part thereof, or upon
19 any portion of the Income, when the same shall become due, and shall duly observe and comply with all valid
20 requirements of any municipal or governmental authority relative to the Storm Drainage Facilities or the
21 Sanitary Sewerage Facilities, or any part thereof, except for any period during which the same are being
22 contested in good faith by proper legal proceedings. The City shall not create or suffer to be created any lien
23 or charge upon the Storm Drainage Facilities or the Sanitary Sewerage Facilities, or any part thereof, or upon
24 the Income, except the pledge and lien created by this Ordinance for the payment of the Debt Service
25 Requirements due in connection with the Series 2016 Bonds or any ordinance for the payment of Debt Service
26 Requirements in connection with any Additional Parity Bonds or Parity Securities, and except as herein
27 otherwise permitted. The City shall pay or cause to be discharged or shall make adequate provision to satisfy
28 and to discharge, within ninety (90) days after the same shall become payable, all lawful claims and demands
29 for labor, materials, supplies or other objects that, if unpaid, might by law become a lien upon the Storm
30 Drainage Facilities or the Sanitary Sewerage Facilities, or any part thereof, or the Income, but nothing herein
31 requires the City to pay or to cause to be discharged or to make provision for any such tax, assessment, lien
32 or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

1 L. Protection of Security. The City and its officers, agents and employees, shall not take
2 any action in such manner or to such extent as might prejudice the security for the payment the Debt Service
3 Requirements of the Series 2016 Bonds and any other securities payable from the Net Pledged Revenues
4 according to the terms thereof. No contract shall be entered into nor any other action taken by which the
5 rights of any Owner of any Series 2016 Bonds or other securities payable from Net Pledged Revenues might
6 be prejudicially and materially impaired or diminished.

7 M. Accumulation of Interest Claims. In order to prevent any accumulation of claims for
8 interest after maturity, the City shall not directly or indirectly extend or assent to the extension of the time for
9 the payment of any claim for interest on any of the Series 2016 Bonds or any other securities payable from
10 the Net Pledged 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 claims for interest. If
12 the time for the payment of any such installment of interest is extended in contravention of the foregoing
13 provisions, such installment or installments of interest after such extension or arrangement shall not be
14 entitled in case of default hereunder to the benefit or the security of this Ordinance, except upon the prior
15 payment in full of the principal of all of the Series 2016 Bonds and any such securities the payment of which
16 has not been extended.

17 N. Prompt Payment of Series 2016 Bonds. The City shall promptly pay the Debt Service
18 Requirements of every Series 2016 Bond on the dates and in the manner specified herein and in the Series
19 2016 Bonds according to the true intent and meaning hereof.

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

23 P. Additional Securities. Neither the City nor the Enterprise shall hereafter issue any
24 bonds or securities payable from the Net Pledged Revenues, other than the Series 2016 Bonds, without
25 compliance with the requirements with respect to the issuance of Additional Parity Bonds or other securities
26 set forth herein to the extent applicable.

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

30 R. Tax Covenant. The City covenants for the benefit of the registered owners of the Series
31 2016 Bonds that it will not take any action or omit to take any action with respect to the Series 2016 Bonds,

1 the proceeds thereof, any other funds of the City or any facilities financed or refinanced with the proceeds of
2 the Series 2016 Bonds if such action or omission (i) would cause the interest on the Series 2016 Bonds to
3 lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii)
4 would cause interest on the Series 2016 Bonds to lose its exclusion from alternative minimum taxable income
5 as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in
6 the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in
7 calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Series 2016
8 Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income
9 under present Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the
10 payment in full or defeasance of the Series 2016 Bonds until the date on which all obligations of the City in
11 fulfilling the above covenant under the Tax Code and Colorado law have been met. The City is hereby
12 authorized to execute a certificate in implementation of the foregoing covenants, and the representations and
13 agreements set forth therein shall be deemed the representations and agreements of City, as if the same
14 were set forth herein.

15 S. Disposal of Facilities Prohibited. Subject to Section 8T hereof, except for the disposal
16 of Storm Drainage Facilities or Sanitary Sewerage Facilities in the normal course of business, neither all nor
17 a substantial part of the Storm Drainage Facilities or the Sanitary Sewerage Facilities shall be sold,
18 mortgaged, pledged, encumbered, alienated or otherwise disposed of until all of the Series 2016 Bonds have
19 been paid in full or provision has been made therefor and the pledge of the Net Pledged Revenues has been
20 terminated as herein authorized. Subject to Section 8T hereof, the City shall not dispose of its title to the
21 Storm Drainage Facilities or the Sanitary Sewerage Facilities, or to any useful part thereof, including any
22 property necessary to the operation and use of the Storm Drainage Facilities or the Sanitary Sewerage
23 Facilities or the lands and interests in lands comprising the Storm Drainage Facilities or the Sanitary Sewage
24 Facilities.

25 T. Disposal of Property. No part of the Storm Drainage Facilities or the Sanitary Sewerage
26 Facilities shall be sold, leased, mortgaged, pledged, encumbered or otherwise disposed of or otherwise
27 alienated until all of the Series 2016 Bonds have been paid in full or provision has been made therefor;
28 provided, however, that the City may sell, exchange or lease at any time and from time to time any property
29 or facilities constituting part of the Storm Drainage Facilities or the Sanitary Sewerage Facilities and not
30 needed in the operation thereof or not required for the maintenance of the Income; but any proceeds of any
31 such sale or exchange received and not used to replace such property so sold or exchanged shall be
32 deposited in the Wastewater Management Enterprise Fund, and any proceeds of any such lease received
33 shall be deposited by the City as Income.

1 U. Loss from Condemnation. If any part of the Storm Drainage Facilities or the Sanitary
2 Sewerage Facilities is taken by the exercise of a power of eminent domain, the amount of any award received
3 by the City as a result of such taking shall be expended upon the Improvement of the Storm Drainage Facilities
4 or the Sanitary Sewerage Facilities, as the case may be, or shall be applied to the redemption of the
5 Outstanding Series 2016 Bonds, any Outstanding Additional Parity Bonds and any other Outstanding Parity
6 Securities in accordance with the provisions hereof and of any other instrument pertaining to the issuance of
7 any such Parity Securities at maturity or prior thereto if the authorizing ordinances or resolutions authorize
8 the prior redemption of such securities, or shall be deposited in the Wastewater Management Enterprise Fund
9 and held as a reserve for expenditure subsequently upon such capital improvements, or any combination
10 thereof.

11 V. Inspection of Records. Any Owner of any of the Series 2016 Bonds or any other
12 securities payable from the Net Pledged Revenues, any duly authorized agent or agents of such Owner and
13 the Underwriter shall have the right at all reasonable times to inspect all records, accounts and data
14 concerning the Storm Drainage Facilities, the Sanitary Sewerage Facilities or the Income, to make copies of
15 such records, accounts and data at the expense of the Owner or the Underwriter and to inspect the Storm
16 Drainage Facilities, the Sanitary Sewerage Facilities and properties comprising the same.

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

21 X. Insurance and Reconstruction. Except to the extent that the City elects to insure itself,
22 the City shall at all times maintain with responsible insurers all such insurance reasonably required and
23 obtainable within limits and at costs deemed reasonable by the City as is customarily maintained with respect
24 to storm drainage facilities and sanitary sewerage facilities of like character against loss of or damage to the
25 Storm Drainage Facilities or the Sanitary Sewerage Facilities and against public and other liability to the extent
26 at least reasonably necessary to protect the interest of the City and of each Owner of Series 2016 Bonds or
27 any other Security payable from the Net Pledged Revenues, except as herein otherwise provided. If any
28 useful part of the Storm Drainage Facilities or the Sanitary Sewerage Facilities shall be damaged or
29 destroyed, the City shall, as expeditiously as possible, commence and diligently proceed with the repair or
30 replacement of the damaged or destroyed property so as to restore the same to use. The proceeds of any
31 insurance appertaining to the Storm Drainage Facilities or the Sanitary Sewerage Facilities shall be payable
32 to the City and (except for proceeds of use and occupancy insurance) shall be applied to the necessary costs
33 involved in such repair and replacement, and to the extent not so applied shall (together with the proceeds of

1 any such use and occupancy insurance) be deposited in the Wastewater Management Enterprise Fund as
2 Income. If the costs of such repair and replacement of the damaged or destroyed property exceed the
3 proceeds of such property insurance available for payment of the same, moneys in the Wastewater
4 Management Enterprise Fund shall be used to the extent necessary for such purpose.

5 Y. Completion of Project; Estimated Life. The City, using the proceeds derived from the
6 sale of the Series 2016 Bonds and any other legally available moneys, including the proceeds derived from
7 the issuance of Additional Parity Bonds and other Parity Securities, shall cause the Project to be completed
8 without delay to the best of its ability and with due diligence, as herein provided. The Council hereby finds
9 that the maturity of the Series 2016 Bonds does not exceed the estimated life of the Storm Drainage Facilities
10 and Sanitary Sewerage Facilities being financed with the proceeds of the Series 2016 Bonds.

11 Z. Continuing Disclosure. The City shall comply with the provisions of the Continuing
12 Disclosure Undertaking. Any failure by the City to perform in accordance with this provision shall not
13 constitute an Event of Default under this Ordinance, and the rights and remedies provided by this Ordinance
14 upon the occurrence of an Event of Default shall not apply to any such failure. The Paying Agent shall not
15 have any power or duty to enforce this Section 8Z. No Owner of a Series 2016 Bond shall be entitled to
16 damages for the City's non-compliance with its obligations under this Section 8Z; however, the Owners of the
17 Series 2016 Bonds may enforce specific performance of the obligations contained in this Section 8Z by any
18 judicial proceeding available.

19 Section 9. Defeasance.

20 When all Debt Service Requirements of the Series 2016 Bonds have been duly paid, the pledge and
21 lien and all obligations hereunder shall thereby be discharged and the Series 2016 Bonds shall no longer be
22 deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be such due
23 payment when the City has placed in escrow or in trust with an Insured Bank, located within or without the
24 State, moneys or Federal Securities, or both, in an amount sufficient (including the known minimum yield
25 available for such purpose from Federal Securities in which such amount wholly or in part may be initially
26 invested) to pay all Debt Service Requirements of the Series 2016 Bonds as the same become due. The
27 Federal Securities shall become due prior to the respective times at which the proceeds thereof shall be
28 needed, in accordance with a schedule established and agreed upon between the City and such bank at the
29 time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the
30 option of the Owner thereof to assure such availability as so needed to meet such schedule. Nothing herein
31 shall be construed to prohibit a partial defeasance of the Outstanding Series 2016 Bonds in accordance with
32 the provisions of this Section 9.

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

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

4 (1) Nonpayment of Principal. Payment of the principal of any of the Series 2016
5 Bonds is not made when the same becomes due and payable, either at maturity or by proceedings for prior
6 redemption, or otherwise;

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

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

11 (4) Nonperformance of Duties. The City shall have failed to carry out and to
12 perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or
13 to be performed by it under any contract relating to the Income, the Storm Drainage Facilities, the Sanitary
14 Sewerage Facilities or otherwise, including, without limitation, this Ordinance, and such failure shall continue
15 for sixty (60) days after receipt of notice from the Owners of twenty-five percent (25%) in aggregate principal
16 amount of the Series 2016 Bonds then Outstanding; provided that if such failure cannot be cured within such
17 sixty (60) days and if during that period corrective action has commenced to remedy such failure and
18 subsequently is diligently pursued by the City to the completion of such performance, an Event of Default
19 shall not be deemed to have occurred;

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

25 (6) Appointment of Receiver. An order or decree is entered by a court of competent
26 jurisdiction, with the consent or acquiescence of the City, appointing a receiver or receivers for the Storm
27 Drainage Facilities or the Sanitary Sewerage Facilities or for the Income and any other moneys subject to the
28 lien to secure the payment of the Series 2016 Bonds, or both the Storm Drainage Facilities and the Sanitary
29 Sewerage Facilities and such moneys, or if any order or decree, having been entered without the consent or
30 acquiescence of the City, is not vacated or discharged or stayed on appeal within sixty (60) days after entry;

1 (7) Default of Any Provision. The City makes any default in the due and punctual
2 performance of any other of the representations, covenants, conditions, agreements and other provisions
3 contained in the Series 2016 Bonds or in this Ordinance on its part to be performed, and if such default
4 continues for sixty (60) days after written notice, specifying such default and requiring the same to be
5 remedied, is given to the City by the Owners of twenty-five percent (25%) in aggregate principal amount of
6 the Series 2016 Bonds then Outstanding; provided that if such default cannot be cured within such sixty (60)
7 days and if during that period corrective action has commenced to remedy such default and subsequently is
8 diligently pursued to the completion of such performance, an Event of Default shall not be deemed to have
9 occurred.

10 B. Remedies for Defaults. Upon the happening and continuance of any of the Events of
11 Default, as provided in Section 10A hereof, then and in every case the Owner or Owners of not less than
12 twenty-five percent (25%) in aggregate principal amount of the Series 2016 Bonds then Outstanding,
13 including, without limitation, a trustee or trustees therefor, may proceed against the City and its agents, officers
14 and employees to protect and to enforce the rights of any Owner of Series 2016 Bonds under this Ordinance
15 by mandatory injunction or by other suit, action, or special proceedings in equity or at law, in any court of
16 competent jurisdiction, either for the appointment of a receiver or an operating trustee or for the specific
17 performance of any covenant or agreement contained herein or for any proper legal or equitable remedy as
18 such Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to
19 enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Series 2016
20 Bond, or to require the City to act as if it were the trustee of an expressed trust, or any combination of such
21 remedies, or as otherwise may be authorized by any statute or other provision of law. All such proceedings
22 at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the Series
23 2016 Bonds, any Additional Parity Bonds and any Parity Securities then Outstanding. Any receiver or
24 operating trustee appointed in any proceedings to protect the rights of such Owners hereunder may collect,
25 receive and apply all Income arising after the appointment of such receiver or operating trustee in the same
26 manner as the City itself might do. The consent to any such appointment is hereby expressly granted by the
27 City. Notwithstanding the foregoing or any other applicable provision of law, no Event of Default shall result
28 in acceleration of any obligation of the City represented by the Series 2016 Bonds.

29 C. Rights and Privileges Cumulative. The failure of any Owner of any Outstanding Series
30 2016 Bond to proceed in any manner herein provided shall not relieve the City or any of its officers, agents
31 or employees of any liability for failure to perform to carry out any duty, obligation or other commitment. Each
32 right or privilege of any such Owner or trustee therefor is in addition and is cumulative to any other right or
33 privilege, and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed a waiver
34 of any other right or privilege thereof. Each Owner of any Series 2016 Bond shall be entitled to all of the

1 privileges, rights and remedies provided or permitted in this Ordinance and as otherwise provided or permitted
2 by law or in equity or by statute, except as provided in Sections 12A and 12B hereof, and subject to the
3 applicable provisions concerning the Income and the proceeds of the Series 2016 Bonds. Nothing herein
4 affects or impairs the right of any Owner of any Series 2016 Bond to enforce the payment of the Debt Service
5 Requirements due in connection with such Series 2016 Bond or the obligation of the City to pay the Debt
6 Service Requirements of each Series 2016 Bond to the Owner thereof at the time and the place expressed
7 in such Series 2016 Bond.

8 D. Duties Upon Default. Upon the happening of any of the Events of Default as provided
9 in Section 10A hereof, the City, in addition, will do and perform all proper acts on behalf of and for the Owners
10 of the Outstanding Series 2016 Bonds to protect and to preserve the security created for the payment of their
11 Series 2016 Bonds and to insure the payment of the Debt Service Requirements of the Series 2016 Bonds
12 promptly as the same become due. During any period of default, so long as any of the Series 2016 Bonds,
13 as to any Debt Service Requirements, are Outstanding, except to the extent it may be unlawful to do so, all
14 Net Pledged Revenues shall be paid into the Debt Service Fund on an equitable and prorated basis, and
15 used for the purposes therein provided. If the City fails or refuses to proceed as in this Section 10D provided,
16 the Owner or Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Series
17 2016 Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of
18 the Owners of the Series 2016 Bonds as hereinabove provided; and to that end any such Owners of
19 Outstanding Series 2016 Bonds shall be subrogated to all rights of the City under any agreement or contract
20 involving the Net Pledged Revenues entered into prior to the effective date of this Ordinance or thereafter
21 while any of the Series 2016 Bonds are Outstanding. Nothing herein requires the City to proceed as provided
22 herein if it determines in good faith and without any abuse of its discretion that if it so proceeds it is more likely
23 than not to incur a net loss rather than a net gain or such action is likely to affect materially and prejudicially
24 the Owners of the Outstanding Series 2016 Bonds and any Outstanding Parity Securities.

25 E. Evidence of Security Owners. Any request, consent or other instrument which this
26 Ordinance may require or may permit to be signed and to be executed by the Owner of any Series 2016
27 Bonds or other securities may be in one instrument or more than one instrument of similar tenor and shall be
28 signed or may be executed by each Owner in person or by his attorney appointed in writing. Proof of the
29 execution of any such instrument or of any instrument appointing any such attorney, or the ownership by any
30 Person of the securities, shall be sufficient for any purpose of this Ordinance (except as otherwise herein
31 expressly provided) if made in the following manner:

32 (1) Proof of Execution. The fact and the date of the execution by any Owner of any
33 Series 2016 Bonds or other securities or his attorney of such instrument may be proved by the certificate,

1 which need not be acknowledged or verified, of any officer of a bank or trust company satisfactory to the Clerk
2 or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the
3 state in which he purports to act, that the individual signing such request or other instrument acknowledged
4 to him the execution, duly sworn to before such notary public or other officer; the authority of the individual or
5 individuals executing any such instrument on behalf of a corporate Owner of any securities may be
6 established without further proof if such instrument is signed by an individual purporting to be the president
7 or vice-president of such corporation with the corporate seal affixed and attested by an individual purporting
8 to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such
9 instrument in any fiduciary or representative capacity may be established without further proof if such
10 instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity;
11 and

12 (2) Proof of Ownership. The amount of Series 2016 Bonds owned by any Person
13 executing any instrument as an Owner of Series 2016 Bonds, and the numbers, date and other identification
14 thereof, together with the date of his ownership of the Series 2016 Bonds, shall be determined from the
15 registration books of the City. The amount of other securities, if applicable, owned by any Person executing
16 any instrument as an owner of such securities, and the numbers, date and other identification thereof, together
17 with the date of their ownership, if in bearer form, may be proved by a certificate which need not be
18 acknowledged or verified, in form satisfactory to the Clerk, executed by a member of a financial firm or by an
19 officer of a bank or trust company, insurance company or financial corporation or other depository satisfactory
20 to the Clerk, or by any notary public or other officer authorized to take acknowledgments of deeds to be
21 recorded in the state in which they purport to act, showing at the date therein mentioned that such Person
22 exhibited to such member, officer, notary public or other officer so authorized to take acknowledgments of
23 deeds or had on deposit with such depository the securities described in such certificate or, if in registered
24 form shall be determined from the related registration books; but the Clerk may nevertheless in his or her
25 discretion require further or other proof in cases where he or she deems the same advisable.

26 F. Warranty Upon Issuance of Series 2016 Bonds. Any of the Series 2016 Bonds as
27 herein provided, when duly executed and registered for the purposes provided for in this Ordinance, shall
28 constitute a warranty by and on behalf of the City for the benefit of each and every future Owner of any of the
29 Series 2016 Bonds that the Series 2016 Bonds have been issued for a valuable consideration in full conformity
30 with law.

31 Section 11. Amendment of Ordinance.

32 A. Amendment of Ordinance Not Requiring Consent of Bond Owners. The City may,
33 without the consent of, or notice to, the Owners of the Series 2016 Bonds, adopt such ordinances

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

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

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

7 (3) To designate a trustee for the Owners of the Series 2016 Bonds, to transfer
8 custody and control of the Income to such trustee, and to provide for the rights and obligations of such trustee;

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

11 (5) To pledge additional revenues, properties or collateral to the payment of the
12 Series 2016 Bonds;

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

15 (7) To effect any such other changes hereto which do not in the opinion of nationally
16 recognized bond counsel materially adversely affect the interests of the Owners of the Series 2016 Bonds.

17 B. Amendment of Ordinance Requiring Consent of Bond Owners. Exclusive of the
18 amendatory ordinances covered by Section 11A hereof, this Ordinance may be amended or modified by
19 ordinances or other instruments duly adopted by the City, without receipt by it of any additional consideration,
20 but with the written consent of the Owners of sixty-six percent (66%) in aggregate principal amount of the
21 Series 2016 Bonds then Outstanding at the time of the adoption of such amendatory ordinance, provided,
22 however, that without the consent of the Owner of every Series 2016 Bond adversely affected thereby no
23 such amendatory ordinance shall permit:

24 (1) Changing Payment. A change in the maturity or in the terms of redemption of
25 the principal of any Outstanding Series 2016 Bond or any interest thereon; or

26 (2) Reducing Return. A reduction in the principal amount of any Series 2016 Bond
27 or the rate of interest thereon without the consent of the Owner of the Series 2016 Bond; or

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

3 (4) Modifying Amendment Terms. A reduction of the principal amount or
4 percentages of Series 2016 Bonds, or any modification otherwise affecting the description of Series 2016
5 Bonds, otherwise changing the consent of the Owners of Series 2016 Bonds, which may be required herein
6 for any amendment hereto; or

7 (5) Priorities Between Series 2016 Bonds. The establishment of priorities as
8 between Series 2016 Bonds issued and Outstanding under the provisions of this Ordinance; or

9 (6) Partial Modification. Any modifications otherwise materially and prejudicially
10 affecting the rights or privileges of the Owners of less than all of the Series 2016 Bonds then Outstanding.

11 Whenever the City proposes to amend or modify this Ordinance under the provisions of this Section
12 11B it shall give notice of the proposed amendment by mailing such notice to all Owners of Series 2016 Bonds
13 at the addresses appearing on the registration books of the City. Such notice shall briefly set forth the nature
14 of the proposed amendment and shall state that a copy of the proposed amendatory ordinance or other
15 instrument is on file in the office of the Clerk for public inspection.

16 C. Time for and Consent to Amendment. Whenever at any time within one (1) year from
17 the date of the completion of the notice required to be given by Section 11B hereof there shall be filed in the
18 office of the Clerk an instrument or instruments executed by the Owners of at least sixty-six percent (66%) in
19 aggregate principal amount of the Series 2016 Bonds then Outstanding, which instrument or instruments shall
20 refer to the proposed amendatory ordinance or other instrument described in such notice and shall specifically
21 consent to and approve the adoption of such ordinance or other instrument, thereupon, but not otherwise, the
22 Council may adopt such amendatory ordinance or instrument and such ordinance or instrument shall become
23 effective. If the Owners of at least sixty-six percent (66%) in aggregate principal amount of the Series 2016
24 Bonds then Outstanding, at the time of the adoption of such amendatory ordinance or instrument, or the
25 predecessors in title of such Owners, shall have consented to and approved the adoption thereof as herein
26 provided, no Owner of any Series 2016 Bond whether or not such Owner shall have consented to or shall
27 have revoked any consent as herein provided shall have any right or interest to object to the adoption of such
28 amendatory ordinance or other instrument or to object to any of the terms or provisions therein contained or
29 to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions
30 thereof. Any consent given by the Owner of a Series 2016 Bond pursuant to the provisions thereof shall be
31 irrevocable for a period of six (6) months from the date of the completion of the notice above provided for and
32 shall be conclusive and binding upon all future Owners of the same Series 2016 Bond during such period.

1 Such consent may be revoked at any time after six months from the completion of such notice, by the Owner
2 who gave such consent or by a successor in title, by filing notice of such revocation with the Clerk, but such
3 revocation shall not be effective if the Owners of sixty-six percent (66%) in aggregate principal amount of the
4 Series 2016 Bonds outstanding as herein provided, prior to the attempted revocation, shall have consented
5 to and approved the amendatory instrument referred to in such revocation.

6 D. Unanimous Consent. Notwithstanding anything in the foregoing provisions contained,
7 the terms and the provisions of this Ordinance, or of any ordinance or instrument amendatory thereof, and
8 the rights and the obligations of the City and of the Owners of the Series 2016 Bonds may be modified or
9 amended in any respect upon the adoption by the City and upon the filing with the Clerk of an instrument to
10 that effect and with the consent of the Owners of all the then Outstanding Series 2016 Bonds, such consent
11 to be given in the manner provided in Section 11C hereof; and no notice to Owners of Series 2016 Bonds
12 shall be required as provided in Section 11B hereof, nor shall the time of consent be limited except as may
13 be provided in such consent.

14 E. Exclusion of Series 2016 Bonds. At the time of any consent or of other action taken
15 hereunder the City shall furnish to the Clerk a certificate, upon which the Clerk may rely, describing all Series
16 2016 Bonds to be excluded for the purpose of consent or of other action or any calculation of Outstanding
17 Series 2016 Bonds provided for hereunder, and, with respect to such excluded Series 2016 Bonds, the City
18 shall not be entitled or required with respect to such Series 2016 Bonds to give or obtain any consent or to
19 take any other action provided for hereunder.

20 F. Notation on Series 2016 Bonds. Any of the Series 2016 Bonds delivered after the
21 effective date of any action taken as provided in Section 11B, or Series 2016 Bonds Outstanding at the
22 effective date of such action, may bear a notation thereon by endorsement or otherwise in form approved by
23 the Council as to such action; and if any such Series 2016 Bonds so executed and delivered after such date
24 does not bear such notation, then upon demand of the Owner of any Bond Outstanding at such effective date
25 and upon presentation of his Bond for such purpose at the office of the Transfer Agent, suitable notation shall
26 be made on such Bond by the Transfer Agent as to any such action. If the Transfer Agent so determines,
27 new Series 2016 Bonds so modified as in the opinion of the Transfer Agent to conform to such action shall
28 be prepared, executed and delivered; and upon demand of the Owner of any Bond then Outstanding, shall
29 be exchanged without cost to such Owner for Series 2016 Bonds then Outstanding upon surrender of such
30 Outstanding Series 2016 Bonds.

31 G. Proof of Instruments and Series 2016 Bonds. The fact and date of execution of any
32 instrument under the provisions of this Section 11, the amount and number of the Series 2016 Bonds owned

1 by any Person executing such instrument, and the date of their registering the same may be proved as
2 provided by Section 10E hereof.

3 Section 12. Miscellaneous.

4 A. Character of Agreement. None of the covenants, agreements, representations, or
5 warranties contained herein or in the Series 2016 Bonds shall ever impose or shall be construed as imposing
6 any liability, obligation, or charge against the City (except for the special funds pledged therefor) or against
7 the general credit of the City payable out of general funds or out of any funds derived from general property
8 taxes.

9 B. No Pledge of Property. The payment of the Series 2016 Bonds is not secured by an
10 encumbrance, mortgage or other pledge of property of the City except for the Net Pledged Revenues. No
11 property of the City or the Enterprise, except the Net Pledged Revenues, is pledged for the payment of the
12 Series 2016 Bonds or shall be liable to be forfeited to taken in payment of the Series 2016 Bonds.

13 C. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal
14 or equitable action brought with respect to any legislative acts or proceedings of the City in connection with
15 the authorization or issuance of the Series 2016 Bonds, including but not limited to the adoption of this
16 Ordinance, shall be commenced more than thirty days after the authorization of the Series 2016 Bonds.

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

19 (1) The preparation, execution and delivery of the Series 2016 Bonds upon receipt
20 of the applicable purchase price thereof;

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

24 (a) The signing of the Series 2016 Bonds;

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

26 (c) The exclusion from gross income of interest on the Series 2016 Bonds
27 for federal and State income tax purposes;

1 (d) The delivery of the Series 2016 Bonds and the receipt of the purchase
2 price; and

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

5 (3) The assembly and dissemination of financial and other information concerning
6 the City and the Series 2016 Bonds in connection with the sale and the marketing of the Series 2016 Bonds,
7 including the Notice of Sale, the Preliminary Official and the Official Statement; and

8 (4) The sale and issuance of the Series 2016 Bonds in accordance with the
9 provisions of the Sale Certificate, the Notice of Sale and this Ordinance.

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

17 F. Rights and Immunities. Except as herein otherwise expressly provided, nothing herein
18 expressed or implied is intended or shall be construed to confer upon or to give to any Person, other than the
19 City and the Owners from time to time of the Series 2016 Bonds, any right, remedy or claim under or by
20 reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and
21 agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the
22 City and any Owner of any of the Series 2016 Bonds.

23 G. No Recourse Against Officers or Agents. Pursuant to § 11-57-209 of the Supplemental
24 Act, if a member of the Council, or any officer or agent of the City acts in good faith, no civil recourse shall be
25 available against such Council member, officer, or agent for payment of the principal or interest on the Series
26 2016 Bonds. Such recourse shall not be available either directly or indirectly through the Council or the City,
27 or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise.
28 By the acceptance of the Series 2016 Bonds and as a part of the consideration of their sale or purchase, any
29 person purchasing or selling such Series 2016 Bonds specifically waives any such recourse.

30 H. Ordinance Irrepealable. This Ordinance is, and shall constitute, a legislative measure
31 of the City and after any of the Series 2016 Bonds are issued, this Ordinance shall constitute an irrevocable

1 contract between the City and the Owner or Owners of the Series 2016 Bonds, and this Ordinance, subject
2 to the provisions of Sections 9 and 11 hereof, if any Series 2016 Bonds are in fact issued, shall be and shall
3 remain irrevocable until the Series 2016 Bonds, as to all Debt Service Requirements, shall be fully paid or
4 discharged.

5 I. Statutory Limitations Met. The Council hereby determines that the provisions and
6 limitations of any applicable law imposed on the issuance of the Series 2016 Bonds have been met.

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

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

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

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

16 COMMITTEE APPROVAL DATE: August 30, 2016

17 MAYOR-COUNCIL DATE: September 6, 2016

18 PASSED BY THE COUNCIL _____

19 _____ - PRESIDENT

20 APPROVED: _____ - MAYOR _____

21 ATTEST: _____ - CLERK AND RECORDER,
22 EX-OFFICIO CLERK OF THE
23 CITY AND COUNTY OF DENVER

24 NOTICED PUBLISHED IN THE DAILY JOURNAL _____; _____

25 PREPARED BY: KUTAK ROCK LLP AND KLINE ALVARADO VEIO, P.C. DATE: September 15, 2016

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

29 Denver City Attorney

30 By: _____, City Attorney DATE: _____