

FINANCE DEPARTMENT MEMORANDUM
#17-2020

DATE: December 21, 2020
TO: Honorable Mayor Meredith Leighty and City Council Members
THROUGH: Heather Geyer, City Manager *hmg*
FROM: Jason Loveland, Director of Finance *12*
SUBJECT: CB-1961 – Wastewater Revenue Bonds, Series 2021 Authorization

PURPOSE

To consider CB-1961, a special ordinance on second reading, to authorize City officials to execute the necessary documents to carry out the issuance and sale of Wastewater Revenue Bonds in an amount not to exceed \$27 million to finance the costs of constructing a new Lift Station A, force main, and related improvements.

BACKGROUND

City staff has been working with the City's financial advisor, Stifel, Nicolaus & Co. (Stifel), to structure the financing of the wastewater improvements. To finance the improvements, the City will work with Stifel and underwriter RBC Capital Markets, LLC (RBC) to structure the terms to best meet the needs of the City.

The ordinance sets the parameters for the Wastewater Revenue Bonds issuance. The final form of the transaction will not be known until the City finalizes the negotiation in January 2021. The key parameters, or maximum allowable transaction levels, set in the ordinance include:

- \$27 million of principal
- 30-year maturity
- Net effective interest rate shall not exceed 4.5%
- Interest rates shall not exceed 5.0%.

While maximum parameters are adopted in the ordinance, it also authorizes City officials to act on behalf of the City, and the transaction will only be executed with the approval from an authorized City official.

Attached to the memorandum are draft documents the City will be executing for this transaction.

1. Preliminary Official Statement – This document serves as an informational disclosure for investors to evaluate applicable economic, financial and legal information of the City.
2. Paying Agent and Registrar Agreement – The City will agree to use UMB Bank, n.a. as paying agent for the disbursement of principal and interest payments of the bonds and to distribute payments for the cost of issuance expenses incurred.
3. Bond Purchase Agreement – The agreement between the City and RBC will establish the terms of the bond sale.

STAFF RECOMMENDATION

Staff recommends approval of CB-1961 on second reading.

BUDGET/TIME IMPLICATIONS

The ordinance is authorizing and placing parameters for the sale of Wastewater Revenue Bonds. Financial impacts to the City, when the bonds are issued, include an estimated annual debt service payment of \$1.4 million to be paid from the Wastewater Fund.

Next Steps

- Closing – February 2021 (estimated)

STAFF REFERENCE

If Council members have questions they may contact Director of Finance Jason Loveland at jloveland@northglenn.org or 303.450.8817.

ATTACHMENTS

1. Preliminary Official Statement
2. Paying Agent and Registrar Agreement
3. Bond Purchase Agreement

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY __, 2021

NEW ISSUE
BOOK-ENTRY-ONLY

RATING (See "RATING"): S&P Global Ratings : "____"
[Insurance to be inserted as needed]

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, the interest on the Series 2021 Bonds is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

\$ _____

City of Northglenn, Colorado
acting by and through its
Wastewater Enterprise
Wastewater Revenue Bonds, Series 2021

Dated: Date of Delivery

Due: December 1, as shown below

The Wastewater Revenue Bonds, Series 2021 (the "Series 2021 Bonds") will be issued in fully registered book-entry form in denominations of \$5,000 or integral multiples thereof. The Series 2021 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), securities depository for the Series 2021 Bonds. Individual purchases are to be made in book-entry form in authorized denominations. Purchasers, as Beneficial Owners, will not receive certificates evidencing their ownership interest in the Series 2021 Bonds. Interest is payable [June 1, 2021] and semiannually thereafter each June 1 and December 1 to and including the maturity dates shown below, unless the Series 2021 Bonds are redeemed earlier.

Year	Amount*	Rate	Yield	CUSIP® ¹	Year	Amount	Rate	Yield	CUSIP® ¹
2021	\$	%	%		2031	\$	%	%	
2022					2032				
2023					2033				
2024					2034				
2025					2035				
2026					2036				
2027					2037				
2028					2038				
2029					2039				
2030					2040				

\$ _____ . ____ % Term Bond Due December 1, 2045* – Yield ____ % Price ____ % CUSIP _____^{1.0}

The Series 2021 Bonds are issued for the purpose of financing the construction of a new lift station as well as various infrastructure improvements to the City's wastewater system (the "System") operated by the Wastewater Enterprise of the City (the "Enterprise"). The Series 2021 Bonds are special, limited obligations of the City, acting by and through the Enterprise, and are payable solely from certain net pledged revenues, consisting of the net revenues of the System remaining after the payment of operation and maintenance expenses. [The Series 2021 Bonds are also secured by a debt service reserve account.] See "SECURITY FOR THE SERIES 2021 BONDS—Security and Flow of Funds." THE SERIES 2021 BONDS ARE NOT A DEBT, INDEBTEDNESS OR MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION OF THE CITY, AND ARE NOT PAYABLE IN WHOLE OR IN PART FROM THE PROCEEDS OF GENERAL PROPERTY TAXES OR ANY OTHER FORM OF TAXATION.

The Series 2021 Bonds are subject to redemption as described under the caption "THE SERIES 2021 BONDS—Redemption."

This cover page is not a summary of the issue. Investors should read the Official Statement in its entirety to make an informed investment decision.

The Series 2021 Bonds are offered when, as and if issued, subject to approval of validity by Kutak Rock LLP, Denver, Colorado, Bond Counsel, and certain other conditions. Kutak Rock LLP has also been retained to assist the City in the preparation of this Official Statement. Certain legal matters will be passed upon for the City by the City Attorney. Stifel, Nicolaus & Company, Incorporated, has acted as financial advisor to the City in connection with the Series 2021 Bonds. The Underwriter is being represented by its counsel, Stradling Yocca Carlson & Rauth, Denver, Colorado. Delivery of the Series 2021 Bonds through DTC in New York, New York, is expected on or about February __, 2021.

RBC Capital Markets

The date of this Official Statement is January __, 2021

¹ The City assumes no responsibility for the accuracy of the CUSIP number, which is included solely for the convenience of owners of the Series 2021 Bonds.
⁰ Copyright 2020 CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, a division of S&P Global.
 * Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds, in any jurisdiction in which such an offer or solicitation is not authorized or in which it is unlawful to make such an offer or solicitation. The information and expressions of opinion set forth herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the affairs of the City or in any other matter since the date hereof.

TABLE OF CONTENTS

SUMMARY OF THE OFFICIAL STATEMENT.....	I	RATING.....	23
INTRODUCTION	1	LITIGATION.....	23
Generally	1	TAX MATTERS	24
Plan and Purpose of Financing.....	1	General	24
FORWARD-LOOKING STATEMENTS	2	Original Issue Premium.....	24
THE SERIES 2021 BONDS	2	Backup Withholding.....	25
Description of the Series 2021 Bonds.....	2	Changes in Federal and State Tax Law	25
Authority for Issuance.....	2	FINANCIAL ADVISOR.....	25
Registration and Payment	2	UNDERWRITING.....	25
Book-Entry-Only System.....	3	LEGAL MATTERS	26
Redemption.....	3	FINANCIAL STATEMENTS.....	26
Continuing Disclosure Undertaking.....	4	MISCELLANEOUS.....	26
SECURITY FOR THE SERIES 2021 BONDS	4	APPENDIX A FORM OF OPINION OF BOND	
Security and Flow of Funds	4	COUNSEL	
Debt Service Requirements.....	7	APPENDIX B SUMMARY OF CERTAIN	
Debt Service Coverage	8	PROVISIONS OF THE BOND	
USE OF PROCEEDS	8	ORDINANCE	
Sources and Uses of Funds	8	APPENDIX C AUDITED FINANCIAL STATEMENTS	
The Project.....	9	OF THE CITY AS OF DECEMBER 31,	
THE ENTERPRISE.....	9	2019	
The Enterprise.....	9	APPENDIX D ECONOMIC AND DEMOGRAPHIC	
THE WASTEWATER SYSTEM	9	INFORMATION	
General.....	9	APPENDIX E PROPOSED FORM OF CONTINUING	
The Public Works Department.....	10	DISCLOSURE UNDERTAKING	
Wastewater Treatment Plant	10	APPENDIX F INFORMATION RELATED TO BOOK-	
Wastewater System.....	10	ENTRY-ONLY SYSTEM	
Wastewater Capital Improvements Program.....	11		
Environmental and Regulatory Conditions.....	12		
Management’s Discussion of Material			
Operating Trends in the Wastewater Fund.....	12		
Customer Information.....	12		
FINANCIAL INFORMATION CONCERNING			
THE SYSTEM.....	14		
Wastewater Fund Operating History	16		
THE CITY	17		
Description.....	17		
City Council.....	18		
Administration and Management	19		
Employees.....	20		
Pension Plans and Other Post-Employment			
Benefits	20		
City Insurance Coverage.....	21		
Current Financial Obligations.....	22		
Accounting Policies	22		
Financial Statements	22		
CONSTITUTIONAL LIMITATIONS ON			
TAXES, REVENUES, BORROWING AND			
SPENDING	23		

[To be updated as needed for insurance]

INDEX OF TABLES

I	Debt Service Requirements	7
II	Net Revenues and Debt Service Coverage	8
III	Five Year Capital Improvements Program Projected	
	Project Costs for Wastewater Fund	11
IV	Estimated Wastewater Accounts by Classification	
	(Accounts Within the City)	12
V	2019 Wastewater Revenue by Category	13
VI	2019 Wastewater Accounts by Class.....	13
VII	Ten Largest Customers of the Wastewater	
	System	14
VIII	History of Wastewater Tap Revenues	15
IX	Comparative Statement of Revenues, Expenditures,	
	and Changes in Fund Balance for the Wastewater	
	Fund Years Ended December 31,	16
X	Wastewater Fund Budget Summary and	
	Comparison	17

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE HAS APPROVED OR DISAPPROVED THE SERIES 2021 BONDS OR THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

SUMMARY OF THE OFFICIAL STATEMENT

The City The City of Northglenn, Colorado (the “City”) is located within the Denver, Colorado metropolitan area. It currently has an estimated population of [38,905] persons and covers an area of 7.5-square miles. The City is a home rule city and operates under a council-manager form of government. See “THE CITY.”

The Series 2021 Bonds The City of Northglenn, Colorado, acting by and through its Wastewater Enterprise, Wastewater Revenue Bonds, Series 2021, in the aggregate principal amount of \$_____ (the “Series 2021 Bonds”) are issued by the City, acting by and through its Wastewater Enterprise (the “Enterprise”), and will be delivered in Book-Entry form only through the facilities of The Depository Trust Company, New York, New York.

Security The Series 2021 Bonds are special and limited obligations of the City, acting by and through the Enterprise, payable solely out of and secured by an irrevocable pledge of and first lien (but not necessarily an exclusive first lien) upon the net income and revenue to be derived by the City from the operation of its municipal wastewater system (the “System”) after payment of all necessary and proper costs of efficient operation and maintenance of the System. [The Series 2021 Bonds are also secured by a debt service reserve account (the “Reserve Account”). Upon the issuance of the Series 2021 Bonds, the Reserve Account will be satisfied with the proceeds of a surety bond (the “Reserve Account Surety Bond”) issued by the Insurer (defined below).] See “THE SERIES 2021 BONDS—Security.” The Series 2021 Bonds are not general obligations of the City and are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation.

[Bond Insurance Provisions to be added as needed]

Redemption..... The Series 2021 Bonds will be subject to redemption prior to maturity as described under the caption “THE SERIES 2021 BONDS—Redemption.”

The Enterprise..... The Enterprise was organized to facilitate the operation of the System on a fully self-supporting basis and operates as a City owned business. The City Council of the City (the “Council”) serves as the governing board of the Enterprise and the City’s Public Works Department manages the Enterprise. See “THE ENTERPRISE.”

The System..... The System was constructed for the purpose of providing wastewater facilities and services to persons and property both inside and outside the City. It includes a collection system, lift stations and treatment facilities. All improved properties within the City and certain properties located in the City of Thornton, Colorado are served by the System and pay service charges to the Enterprise. See “THE SYSTEM.”

The Project The Series 2021 Bonds are being issued for the purpose of constructing a new System lift station and installing new piping to replace deteriorating System infrastructure (the “Project”). See “USE OF PROCEEDS—The Project.”

Constitutional Limitations on Taxes, Revenues, Borrowing and Spending..... In 1992, the Colorado Constitution was amended to impose substantial limitations, including voter approval requirements, upon the taxes, revenues, borrowing and spending of the State and local governments. The Series 2021 Bonds are permitted to be issued without voter approval under the provisions of such amendment which exclude “enterprises” and their bonds from such limitations. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.”

Tax Treatment of Interest on the Series 2021 Bonds In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS” herein.

Professionals The following professionals are participating in the initial offering of the Series 2021 Bonds:

Bond Counsel: Kutak Rock LLP
1801 California Street
Suite 3000
Denver, CO 80202
Telephone: (303) 297-2400

Financial Advisor: Stifel, Nicolaus & Company, Incorporated
1401 Lawrence Street
Suite 900
Denver, CO 80202
Telephone: (303) 291-5362

Underwriter: RBC Capital Markets, LLC
1801 California Street
Suite 3850
Denver, CO 80202
Telephone: (303) 595-1200

**Additional Information;
Continuing Disclosure**

Undertaking..... Additional information concerning the City, the Enterprise and the Series 2021 Bonds may be obtained from the Director of Finance of the City at 11701 Community Center Drive, Northglenn, Colorado 80233, Telephone: (303) 450-8817, or from the Underwriter, at the address and telephone number shown above. The City will enter into an undertaking with the Underwriter pursuant to Securities and Exchange Commission Rule 15c2-12 to provide certain information concerning the Series 2021 Bonds on a continuing basis. See “THE SERIES 2021 BONDS—Continuing Disclosure Undertaking.”

THE FOREGOING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE DETAILED INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT. EACH PROSPECTIVE INVESTOR SHOULD READ THE OFFICIAL STATEMENT IN ITS ENTIRETY TO MAKE AN INFORMED INVESTMENT DECISION.

[Remainder of Page Intentionally Left Blank]

OFFICIAL STATEMENT

Relating to:

\$ _____ *

**City of Northglenn, Colorado
acting by and through its
Wastewater Enterprise
Wastewater Revenue Bonds, Series 2021**

INTRODUCTION

Generally

This Official Statement, including its cover page and appendices, is provided in connection with the issuance by the City of Northglenn, Colorado (the “City”) acting by and through its Wastewater Enterprise (the “Enterprise”) of \$_____ aggregate principal amount of Wastewater Revenue Bonds, Series 2021 (the “Series 2021 Bonds”). The Series 2021 Bonds are issued under that certain Wastewater Revenue Bond Ordinance (the “Authorizing Ordinance”) adopted by the Council of the City, acting as such and as the governing body of the Enterprise, supplemented, as to certain final terms of the Series 2021 Bonds, by a Final Terms Certificate executed by the City’s Director of Finance (the “Final Terms Certificate” and, collectively with the Authorizing Ordinance, the “Bond Ordinance”). The term “City” as used in this Official Statement refers to the City and, where appropriate, to the City acting by and through the Enterprise. The City is a political subdivision of the State of Colorado (the “State”) organized and existing as a home rule municipality under the laws of the State and a home rule charter (the “Charter”).

The Series 2021 Bonds will be payable solely from and secured by (i) an irrevocable pledge of and first lien upon the Net Pledged Revenues (as defined herein), and (ii) all funds, accounts and other property pledged by the City under the Authorizing Ordinance. For a definition of the term “Net Pledged Revenues,” see “SECURITY FOR THE SERIES 2021 BONDS—Security and Flow of Funds.”

THE SERIES 2021 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE CITY AND ARE NOT PAYABLE IN WHOLE OR IN PART FROM THE PROCEEDS OF GENERAL PROPERTY TAXES OR ANY OTHER FORM OF TAXATION.

Plan and Purpose of Financing

The Series 2021 Bonds are being issued for the purpose of financing certain capital improvements to the City’s wastewater System operated by the Enterprise for the purpose of increasing the System’s capacity to serve customers, replacing older components and deteriorating infrastructure of the System and improving the efficacy of the System. See “USE OF PROCEEDS—Sources and Uses of Funds.”

The references to and summaries of provisions of the Constitution and laws of the State and the descriptions of documents included herein do not purport to be complete and are qualified in their entirety by reference to the complete provisions thereof, copies of which are available from the City, or through the Underwriter during the period of the initial offering of the Series 2021 Bonds.

* Preliminary; subject to change.

Capitalized terms used and not defined herein shall have the respective meanings specified in APPENDIX B hereto.

FORWARD-LOOKING STATEMENTS

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS RELATING TO FUTURE RESULTS THAT ARE “FORWARD-LOOKING STATEMENTS” AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS “ESTIMATE,” “FORECAST,” “INTEND,” “EXPECT,” “PROJECTED” AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. ANY PROJECTION IS SUBJECT TO SUCH UNCERTAINTIES. INEVITABLY, SOME ASSUMPTIONS USED TO DEVELOP THE PROJECTIONS WILL NOT BE REALIZED AND UNANTICIPATED EVENTS AND CIRCUMSTANCES WILL OCCUR. THEREFORE, IT CAN BE EXPECTED THAT THERE WILL BE DIFFERENCES BETWEEN PROJECTIONS AND ACTUAL RESULTS, AND THOSE DIFFERENCES MAY BE MATERIAL.

THE SERIES 2021 BONDS

Description of the Series 2021 Bonds

The Series 2021 Bonds are special and limited obligations of the City, acting by and through the Enterprise, and are issued for the purpose of financing the Project. The Series 2021 Bonds are in the denominations, bear interest, mature, and are subject to the other terms and conditions stated on the cover page hereof.

Authority for Issuance

The Series 2021 Bonds are issued under authority of the Charter and Chapter 16, Article V of the City Code (the “Enterprise Ordinance”). Under the Enterprise Ordinance, the City has designated its wastewater activities as an “enterprise” for purposes of Article X, Section 20 of the Colorado Constitution. See “THE ENTERPRISE.” As bonds of an enterprise, the Series 2021 Bonds are authorized to be issued without approval by the electors of the City. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.”

Registration and Payment

The Series 2021 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), as securities depository for the Series 2021 Bonds. For so long as the Series 2021 Bonds are in book-entry form, the principal of and interest on the Series 2021 Bonds will be payable at the office of UMB Bank, n.a., or its successors, as paying agent and registrar (the “Paying Agent”). Interest on the Series 2021 Bonds is payable by wire transfer to Cede & Co. upon written instruction or by check or draft mailed by the Paying Agent to the registered owners of the Series 2021 Bonds whose names and addresses appear in the registration books of the City on the Regular Record Date, i.e., the fifteenth day, whether or not a business day, of the calendar month preceding the interest payment date. Under certain circumstances a Special Record Date may be fixed by the Paying Agent to determine ownership of the Series 2021 Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

Book-Entry-Only System

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2021 Bond will be issued for each maturity of the Series 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. For information regarding DTC see "APPENDIX F—INFORMATION RELATED TO BOOK-ENTRY-ONLY SYSTEM."

Redemption

The Series 2021 Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. The Series 2021 Bonds maturing on December 1, 20__ and thereafter are subject to redemption prior to maturity, at the option of the City, on December 1, 20__ or any date thereafter, in whole or in part, and if in part in such order of maturity as the City shall determine and by lot within maturities, at a redemption price of par plus accrued interest to the redemption date, without redemption premium.

Mandatory Sinking Fund Redemption. The Series 2021 Bonds maturing on December 1, 20__ are subject to mandatory sinking fund redemption by lot on December 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date:

Redemption Date (December 1)*	Principal Amount*
20__	
20__	
20__	
20__	
20__ ¹	

* Preliminary; subject to change.

¹ Final maturity; not a sinking fund redemption payment.

Notice of Redemption. Notice of redemption of any Series 2021 Bonds is to be given by the Paying Agent by sending a copy of such notice by first-class mail, postage prepaid, at least 30 days prior to the redemption date, to the Underwriter and to the registered owner of each Series 2021 Bond all or a portion of which is called for prior redemption, at his or her address as it last appears on the registration records kept by the Paying Agent. For so long as the Series 2021 Bonds are in book-entry form, any such redemption notice may be given, in lieu of such mailing, by sending a copy thereof by electronic means, Federal Express or other nationally recognized overnight delivery service, to DTC or its designee. Failure, as to any Series 2021 Bond, to mail or send such notice as provided above, or any defect therein, does not affect the validity of the proceedings for the redemption of any other Series 2021 Bonds. Any failure of DTC to advise any Participant, or of any Participant or in direct participant to notify the Beneficial Owner, of any such notice and its content or effect does not affect the validity of the redemption of the Series 2021 Bonds called for redemption or any other action premised on that notice.

In the event of a call for redemption, the City's notification to DTC initiates DTC's standard call procedure. In the event of a partial call, DTC's practice is to determine by lot the amount of the interest of each Participant in the Series 2021 Bonds to be redeemed, and each such Participant then selects by lot

the ownership interest in such Series 2021 Bonds to be redeemed. When DTC and Participants allocate the call, the Beneficial Owners of the book-entry interests called are to be notified by the broker or other organization responsible for maintaining the records of those interests and subsequently credited by that organization with the proceeds once the Series 2021 Bonds are redeemed.

Continuing Disclosure Undertaking

In order to facilitate compliance by the Underwriter with Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the City will enter into an undertaking in substantially the form set forth in APPENDIX E hereto (the “Continuing Disclosure Undertaking”) to provide certain information, including audited financial results, on an annual basis, and to provide notice of certain specified events contemplated by the Rule, to the information repositories designated in the Continuing Disclosure Undertaking.

The specific information required to be provided by the City under the Continuing Disclosure Undertaking includes: (a) notice of the occurrence of any of the material events enumerated in the Rule; (b) annual audited financial statements; and (c) annual operating results with respect to the items described in the form of the Continuing Disclosure Undertaking. Failure to perform the Continuing Disclosure Undertaking does not constitute an Event of Default under the Bond Ordinance, but any such failure may materially and adversely affect secondary market trading in the Series 2021 Bonds.

SECURITY FOR THE SERIES 2021 BONDS

Security and Flow of Funds

The Bond Ordinance. The Series 2021 Bonds are to be issued pursuant to that certain Wastewater Revenue Bond Ordinance (the “Authorizing Ordinance”) adopted by the Council of the City, acting as such and as the governing body of the Enterprise, supplemented, as to certain final terms of the Series 2021 Bonds, by a Final Terms Certificate executed by the City’s Director of Finance (the “Final Terms Certificate” and, collectively with the Authorizing Ordinance, the “Bond Ordinance”). The Bond Ordinance provides for the security and sources of payment of the Series 2021 Bonds and directs the application of substantially all of the proceeds of the Series 2021 Bonds as follows: (a) accrued interest on the Series 2021 Bonds, if any, is to be deposited in the Debt Service Account created within the Income Account; (b) Series 2021 Bond proceeds in the amount, if any, required by the Bond Ordinance (the “Reserve Requirement”) to fund the Debt Service Reserve Account, if any, created under the Bond Ordinance (the “Reserve Account”) is to be deposited into the Reserve Account; and (c) the remaining Series 2021 Bond proceeds are to be deposited in the Project Account created under the Bond Ordinance (the “Project Account”) for the purpose of paying the costs of the Project described under the caption “USE OF PROCEEDS—The Project.” The Bond Ordinance is irrevocable until the Series 2021 Bonds and the interest thereon are fully paid. There follow brief summaries of certain material provisions of the Bond Ordinance.

Pledged Revenues and Flow of Funds. The Bond Ordinance generally defines the System to include the wastewater facilities presently owned and operated by the City, acting by and through the Enterprise, together with all equipment and capital improvements to the System and any other property or facilities specifically added to the System by ordinance of the Council. The Income of the System is defined in the Bond Ordinance to include all rates, fees, or charges for services furnished by, or the direct or indirect use of the System, together with any interest income of the System attributable to the investment of moneys in the accounts created by the Bond Ordinance and not specifically excluded from the lien of the Bond Ordinance, and subject to certain exclusions enumerated in the full text of the definition of “Income” in APPENDIX B hereto. See “THE SYSTEM—Sources of Revenue.”

The Bond Ordinance provides that all Income is to be deposited into the City's Wastewater Enterprise Fund (the "Wastewater Fund", also referred to herein and in the Bond Ordinance as the "Income Account").

The Income on deposit in the Income Account is to be deposited and applied in the following order of priority:

FIRST, to the payment of necessary and proper costs of operating and maintaining the System ("Operation and Maintenance Expenses") as they become due (the Income less such Operation and Maintenance Expenses being referred to as the "Net Pledged Revenues");

SECOND, to the Debt Service Account in monthly installments sufficient to pay any interest accrued and due on the next interest payment date and a ratable portion of the next installment of principal, if any, on the Series 2021 Bonds and similar installments with respect to any outstanding parity securities (provided that, should the City deposit an amount equal to the interest and principal coming due on the next interest payment date by or before July 1 and January 1 of each year, such month deposits are not required);

THIRD, to the payment of the Debt Service Requirements of obligations having a lien on the Net Pledged Revenues subordinate to the lien of the Series 2021 Bonds and other outstanding First Lien Revenue Obligations; and

FOURTH, to any other lawful purpose determined by the Council, acting as the governing body of the Enterprise.

Debt Service Reserve Account. The Bond Ordinance provides for the creation and establishment of a debt service reserve account (the "Reserve Account"), if any, pursuant to the terms of the Final Terms Certificate. If the Reserve Account is established and the City at any time or for any reason fails to pay into the Debt Service Account the full amount required to pay the then-due Debt Service Requirements on the Series 2021 Bonds, then there is to be transferred from the Reserve Account into the Debt Service Account an amount equal to the difference between that paid from the Net Pledged Revenues and the full amount of the Debt Service Requirements. Any money so used must be replaced to restore the Reserve Account to the amount required by Final Terms Certificate (the "Reserve Requirement"). The Reserve Requirement provided by Final Terms Certificate may, from time to time, be reduced as the Debt Service Requirements on the Series 2021 Bonds are paid. The Reserve Requirement, as so adjusted, must equal the least of (a) 10% of the principal amount of the Series 2021 Bonds, (b) the Maximum Annual Debt Service Requirements of the Series 2021 Bonds, or (c) 125% of the Average Annual Debt Service Requirements of the Series 2021 Bonds. The Reserve Requirement may be satisfied, in whole or in part, by the purchase of a surety bond. [update for surety as determined]

Rate Maintenance. The City covenants in the Bond Ordinance, among other things, to prescribe, revise and collect fair and reasonable rates, fees and charges for use of the System which shall produce Income sufficient, together with any other moneys legally available therefor and credited to the Income Account, to make the payments and accumulations required by the Bond Ordinance; and which shall produce Net Pledged Revenues in each ensuing Fiscal Year at least equal to the sum of 110% of the Combined Annual Debt Service Requirements of the Series 2021 Bonds and any Outstanding Additional Parity Obligations and 105% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Revenue Obligations, plus any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Net Pledged Revenues or any securities payable therefrom. For purposes of compliance with the Bond Ordinance, including the Rate Maintenance Covenant, there may be counted as Income any funds contributed to the System by the City.

Parity Obligations. Pursuant to the Bond Ordinance, the Series 2021 Bonds and any Additional Parity Obligations constitute a first and prior (but not necessarily exclusive) lien on the Net Pledged Revenues.

Additional Obligations. Additional Obligations may be issued, subject to certain provisions of the Bond Ordinance.

The Bond Ordinance prohibits the issuance of any Obligations having a claim to the Income prior or superior to that of the Series 2021 Bonds. Subordinate securities may be issued at any time.

Additional Parity Obligations, having a claim to the Income on a parity basis to that of the Series 2021 Bonds, may be issued provided that, at the time of their issuance: (a) the City is not in default under the provisions of the Bond Ordinance; and (b) the Net Pledged Revenues for the last complete Fiscal Year or any 12 consecutive whole months out of the last 18 prior to the issuance of the proposed Additional Parity Obligations, as certified by the City Manager or a Consulting Engineer or Independent Accountant, must have been equal to at least 110% of the Maximum Annual Debt Service Requirements of the Series 2021 Bonds and any Additional Parity Obligations then Outstanding and the Additional Parity Obligations proposed to be issued. If any adjustment in System rates or fees is to be effective during or prior to any Fiscal Year in which the Maximum Annual Debt Service Requirements occur, the Net Pledged Revenues may be adjusted to reflect the Net Pledged Revenues which would have been produced had the modified rates been in effect throughout such Fiscal Year.

For a more detailed description of the Bond Ordinance, see APPENDIX B hereto.

[Remainder of Page Left Intentionally Blank]

Debt Service Requirements

The following table shows the debt service requirements of the Series 2021 Bonds.

TABLE I
Debt Service Requirements ¹

December 1*	Principal*	Interest	Total
2021	\$	%	\$
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
Total:			

* Preliminary; subject to change.

¹ Figures have been rounded.

Source: The Underwriter

Debt Service Coverage

For the years 2015-2019 (the City’s fiscal year being the calendar year), the following table shows Net Pledged Revenues (see “APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE—Definitions”) and coverage ratios with respect to average annual debt service and maximum annual debt service on the Series 2021 Bonds. See “SECURITY FOR THE SERIES 2021 BONDS—Security and Flow of Funds—Additional Obligations.”

**TABLE II
Net Revenues and Debt Service Coverage**

	2015	2016	2017	2018	2019
Net Pledged Revenues					
Operating Revenues	\$3,630,574	\$3,682,586	\$3,720,360	\$4,019,569	\$4,317,269
Tap Fees	0	0	46,700	77,800	47,310
Investment Earnings	27,160	26,374	0	60,114	108,372
Other Non-Operating Revenues ¹	94,703	8,407	11,916	9,974	189,719
(Less) Operations and Maintenance ²	<u>(2,944,520)</u>	<u>(3,302,696)</u>	<u>(2,921,343)</u>	<u>(3,120,855)</u>	<u>(2,803,809)</u>
Total	<u>807,917</u>	<u>414,671</u>	<u>857,633</u>	<u>968,802</u>	<u>1,858,861</u>
Average Annual Debt Service					
Debt Service Coverage					
Maximum Annual Debt Service					
Debt Service Coverage					

¹ Includes utility co-op refunds, developer contribution and sales of assets. These amounts fluctuate annual.

² Does not include depreciation or capital assets.

Source: City audited financial statements, the City and the Financial Advisor

USE OF PROCEEDS

Sources and Uses of Funds

The City estimates the following sources and uses of funds (exclusive of accrued interest) in connection with the sale of the Series 2021 Bonds:

Sources:

Bond Proceeds	
Original Issue Premium	
Total Sources.....	

Uses:

Deposit to Project Account	
[Deposit to Reserve Account]	
Costs of Issuance ¹	
Total Uses	

¹ Includes underwriter’s discount, legal, printing, accounting and financial advisory fees.

The Project

The net proceeds of the Series 2021 Bonds are to be deposited into the Project Account and used to pay expenses of issuance of the Series 2021 Bonds and to finance the Project. The Project consists of the construction of a new System lift station, with a capacity of 10.5 million gallons per day (“MGD”), as well as the installation of approximately 14,000 feet of 16”-20” force main pipe that will replace deteriorating System infrastructure. This installation will update System infrastructure that was placed into service 40 and 50 years ago, respectively.

The City has selected J.R. Filanc Construction Company, Inc. as construction manager and general contractor for the lift station portion of the Project, pursuant to a Construction Manager Contract dated July 13, 2020 (the “Lift Contract”). The City currently expects to enter into an amendment of the Lift Contract in December of 2020 [to be updated prior to posting], which will provide the guaranteed maximum price for the construction of the lift station. It is currently anticipated that the lift station Project costs pursuant to the amended Lift Contract would not exceed a guaranteed maximum price of approximately \$10,160,000.

The City has selected BT Construction, Inc. as construction manager and general contractor for the force main portion of the Project, pursuant to a Construction Manager Contract dated July 13, 2020 (the “Force Main Contract”). The City currently expects to enter into an amendment of the Force Main Contract in December of 2020, which will provide the guaranteed maximum price of this installation. It is currently anticipated that the force main Project costs pursuant to the Force Main Contract would not exceed a guaranteed maximum price of approximately \$16,477,000.

Construction of the Project is currently expected to commence in January of 2021 and to be completed by December 2021.

THE ENTERPRISE

The Enterprise

The Council has previously acted by ordinance to recognize and confirm the existence of the Wastewater Enterprise of the City (the “Enterprise”), such provisions being codified in Chapter 16, Article V of the Municipal Code of the City (the “Code”). The System is a government owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined. Accordingly, the City conducts the System as an “enterprise” within the meaning of Article X, Section 20 of the Colorado Constitution; see “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.”

THE WASTEWATER SYSTEM

General

Water and wastewater services were originally provided to the City through the facilities of the City of Thornton, Colorado (“Thornton”). In 1976, the City commenced the development of its own water and wastewater system by purchasing from Thornton facilities located within the City’s boundaries, constructing additional facilities needed to provide a complete water and wastewater system and acquiring necessary water supplies. Severance from the Thornton water and wastewater systems was effected in December of 1980 and July of 1982, respectively. The System currently provides water and wastewater service to customers within its boundaries, as well as wastewater service only (at no charge pursuant to the severance agreement) to certain enclaves within Thornton.

The Public Works Department

Section 16-5-2 of the City's municipal code provides that the City's Public Works Department (the "Department"), under the direction and supervision of the City Manager, has the power and duty to, among other things, (i) operate and maintain the System; (ii) to acquire, construct, reconstruct, improve, better and extend water facilities or the System, or both; (iii) to acquire lands, easements and rights in land in connection with such water facilities or the System or both; and (iv) to prescribe, revise and collect in advance or otherwise from any customer connected therewith or receiving services therefrom rates, fees, tolls and charges, or any combination thereof, for the services furnished by, or the direct or indirect connection with, or the use of, or any commodity from, the System, including but not limited to minimum charges, charges for the availability of service, tap fees, disconnection fees, reconnection fees and reasonable penalties for any delinquencies.

The operation and maintenance of the System and the City's water system are the responsibility of the Department under the supervision of its Director, Kent Kisselman, a 7-year City employee appointed to the position in December of 2018. The Director manages the various functions of the Department, including water and wastewater treatment, distribution and collection, building and street maintenance, water quality laboratory analysis, electrical and mechanical maintenance, solid waste issues and the motor pool. Mr. Kisselman has 30 years of experience in the construction, engineering and public works field. He holds a Bachelor of Science degree in civil engineering from the University of Colorado at Denver.

The Department is currently staffed with approximately 79 full-time employees, including administrative personnel. Water and wastewater plant operators have the levels of certification required by the Water and Wastewater Facility Operators Certification Board.

Wastewater Treatment Plant

The System's Wastewater Treatment Plant (the "Treatment Plant"), built in 1982, is located nine miles north of the City in Weld County, Colorado. Treating wastewater is essential to protecting public health, while sustaining water suitable for aquatic life, agriculture, recreational use and the drinking water supply downstream. Approximately 10,000 tests are performed each year at the Treatment Plant as wastewater travels through the various stages of treatment and discharge to ensure it meets all requirements of the Clean Water Act. During spring and summer months, effluent, or treated water flowing out of the Treatment Plant, discharges out of Bull Reservoir, primarily into Bull Canal for crop irrigation, as described below. Some effluent releases into Big Dry Creek, eventually merging into the South Platte River.

Wastewater System

Wastewater is collected by a system of approximately 120 miles of primarily concrete lines ranging in size from 6 inches to 27 inches in diameter. Portions of the existing wastewater system acquired from Thornton consist of collection and interceptor trunk sewers, most of which were constructed prior to 1968. Wastewater is transported to the Treatment Plant by gravity flow and supplemented in a number of low lying areas by lift stations.

The Treatment Plant provides primary treatment through a headworks facility, to remove large debris, inorganic matter and trash. The secondary treatment involves aeration basins utilizing aeration and microorganisms, and then into clarifiers, which separates the sludge and clean water. The clean water is then disinfected using ultraviolet light, and the treated effluent water is then stored in an on-site

reservoir with a capacity of approximately 4,362 acre-feet (1.4 billion gallons). In 2019, permitted capacity was set at 4.5 MGD, and the average daily flow into the treatment facility was at 3.08 MGD.

During the period from April to October, effluent is discharged into the Bull Canal and Bull Reservoir in accordance with an exchange agreement with the Farmers Reservoir and Irrigation Company (“FRICO”). In exchange for such effluent, FRICO provides the City with a supply of raw water in accordance with the terms of the exchange agreement. [Where is it discharged the rest of the year?]

Because the Treatment Plant discharges effluent into Bull Canal and Big Dry Creek, a discharge permit is required under provisions of the Federal Clean Water Act and the Colorado Water Quality Control Act. This permit, which is issued by the Colorado Department of Public Health and Environment, sets limits on the amount of pollutants which may be discharged into State streams. Discharge permits must be renewed every five years, and the City has recently received permit renewals.

Wastewater Capital Improvements Program

The Council periodically considers System improvement projects in accordance with its five-year capital improvements program (the “Capital Improvements Program”). During the past five years, the City has completed an improvement project referred to as the Wastewater Treatment Plant Headworks and Clarifier project, to remove solids more efficiently and implement a fairly new technology (air ionization) to capture and treat odors. The City also expanded and improved the ultraviolet disinfection system and increased treatment capacity. This project was financed with operating reserves.

In 2018 the City began the process to replace the System’s Bunker Hill Lift Station in conjunction with the development of Karl’s Farm to meet increased demand on the System due to growth. This project is funded with operating reserves (28%) and developer contributions (72%), and expected to be completed in 2021. Other than the Project to be financed by Series 2021 Bond proceeds and the Bunker Hill Lift Station project described above, the only System projects scheduled during the next five years include maintenance of the clarifier weir and piping, as well as annual collection line rehabilitation. The City has budgeted to pay for these projects with operating reserves. The following shows the City’s five-year Capital Improvements Programs projections for its Wastewater Fund:

TABLE III
Five Year Capital Improvements Program
Projected Project Costs for Wastewater Fund

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Wastewater collection	\$25,250,000	\$250,000	\$250,000	\$250,000	\$250,000
Wastewater treatment plant	\$500,000	\$0	\$0	\$0	\$0

Source: City of Northglenn 2021 Budget

Future Major Capital Projects. With the recent System treatment plant updates completed in 2018, and the pending completion of the Bunker Hill Lift Station replacement in 2021, the City is not anticipating any further major capital project needs in the next five years. See “—Wastewater Capital Improvements Program” above.

Future regulatory and capacity improvement projects that will require financing include decommissioning sludge storage lagoons and construction of a new solids handling system, expanding

biological nutrient removal treatment capacity, effluent filtration and developing alternatives for biosolids handling process to generate biosolids that meet Class A requirements.

Environmental and Regulatory Conditions

Various State and federal environmental and health laws, regulations and legal proceedings affect the operations of the City’s water and wastewater system. While the City intends to comply with all valid laws and regulations affecting such operations, there can be no assurance that actions of and standards imposed by federal or state authorities will not result in increases in the City’s future costs of water and wastewater system operations, impairment of its ability to serve its present or future customers, or both.

Management’s Discussion of Material Operating Trends in the Wastewater Fund

For fiscal year 2019, the Wastewater Fund operating income exceeded operating expenses by \$172,000. Fund net position may serve over time as a useful indicator of a government’s financial position. As of December 31, 2019, the Wastewater Fund assets exceeded liabilities by \$38.8 million. The largest portion of the net position, \$35.0 million (90.2%) is represented by investment in capital assets such as plant and equipment, net of debt. During 2019, net position increased by \$342 thousand. This increase is due to the net income realized for the year, and the capitalization of capital assets exceeding depreciation.

Customer Information

The City classifies its water and wastewater customers as residential, commercial and industrial. A breakdown of the accounts served as of December 31, 2019, as compared to the year ended December 31, 2018, is set forth below.

**TABLE IV
Estimated Wastewater Accounts by Classification (Accounts Within the City)**

Classification	2019		2020 ¹	
	Number of Accounts	Percent of Total Accounts	Number of Accounts	Percent of Total Accounts
Residential	9,806	96.0%	9,820	96.1%
Commercial	404	4.0	398	3.9
Industrial	<u>2</u>	<u>>1.0</u>	<u>2</u>	<u>>1.0</u>
Total	<u>10,212</u>	<u>100%</u>	<u>10,220</u>	<u>100%</u>

¹ As of [November 30, 2020].
Source: City of Finance Department

The following table provides the Wastewater Revenue by category for the year ended December 31, 2019:

TABLE V
2019 Wastewater Revenue by Category

Category	Wastewater Revenue	Percent of Total Revenues
Residential	\$2,613,850	60.50%
Commercial/Industrial	<u>1,703,419</u>	<u>39.50</u>
Total	<u>\$4,317,269</u>	<u>100.00%</u>

Source: The City.

The following table provides a five-year history of total wastewater accounts served for the years indicated:

TABLE VI
Wastewater Accounts by Class

Year	Single Family	Multi-Family	Commercial	Total	Percent Change
2015	9,643	145	402	10,190	--
2016	9,648	145	403	10,196	0.06%
2017	9,652	145	105	10,202	0.16
2018	9,651	145	403	10,199	0.03
2019	9,661	145	409	10,215	0.16
2020 ¹	9,674	146	403	10,223	--

¹ Number of accounts through [September 30, 2020].

Source: The City

[Remainder of page intentionally left blank]

The following table provides the ten largest customers of the wastewater system.

**TABLE VII
Ten Largest Customers of the Wastewater System**

Customer	Total User Charge Revenue Collected	Percent of Total Service Charges Collected ¹
Riviera Apartments LLC	\$15,837	0.37%
Stone Mtn LLC 8267	10,743	0.25
11501 Washington LLC	8,328	0.19
Thistle Sage – Mountain View	6,760	0.16
Reserve at Northglenn	4,251	0.10
Ramada Plaza	3,918	0.09
463600 Echelon Prop Grp	3,804	0.09
Keystone Apt Asset Mgmt LLC	3,313	0.08
Car Wash Express-AME0054	3,060	0.07
Adams 12 Five Star Schools	2,584	0.06

¹ Based on total wastewater service charge revenue of \$4,317,269 collected in 2019.
Source: The City

FINANCIAL INFORMATION CONCERNING THE SYSTEM

Wastewater Rates and Fees

The City, in conjunction with Stantec, completed a financial plan in March of 2017 which report included options for proposed rate increases to fund the City’s projected costs of wastewater service through 2027. The rates increased 9.75% in 2018-2020 and are scheduled to increase 8.00% in 2021 and 2022 and 5.25% each year from 2023 to and including 2027. These proposed rate increases are sufficient to fund the anticipated operating costs, debt service, debt service coverage, capital project costs and cash reserve levels and also keep rates within range of the City’s neighboring peers.

The current rate, set forth in Ordinance No 1745 and effective January 1, 2018 includes annual increases on January 1 of each year through and including January 1, 2022 and is set forth in the following table.

Consumption Range	Wastewater Rates (as of January 1,)				
	2018	2019	2020	2021	2022
Per 1,000 gallons (3,000 gallon minimum)	\$4.52	\$4.96	\$5.45	\$5.88	\$6.35

Wastewater Tap Fees. Tap fees are one-time fees that developers and other customers are charged to connect to the System. They are based on the size and type of the unit. Residential and non-residential customers desiring to obtain utility services by connecting to the municipal utility system will be assessed appropriate utility connection charges as set forth in the following tables:

Residential Wastewater Connection Charges ¹

Type of Unit	Equivalent Rating (EQR)	Fee
Single Family Detached	1 EQR per unit	\$2,550
Single Family Attached – Duplexes	1 EQR per unit	2,550
Single Family Attached – Townhouses	1 EQR per unit	2,550
Single Family Attached – Condominiums	1 EQR per unit	2,550
Multi-Family Apartments	0.55 EQR per unit	1,403

¹Effective as of January 12, 2001.

Non-Residential Wastewater Connection Charges ¹ (based on meter size)

Meter Size	Fee
5/8" x 3/4"	\$ 2,550
3/4"	3,675
1"	5,500
1 1/2"	10,200
2"	18,500
3"	38,500
4"	71,800
6"	155,000

¹Effective as of January 12, 2001.

The following table sets forth the number of wastewater taps issued and the corresponding tap fee revenues collected therefrom for the 2015-2019 and 2020 to date.

**TABLE VIII
History of Wastewater Tap Revenues**

Year	Taps Issued	Revenue Collected
2015	1	\$176,600
2016	4	96,350
2017	11	230,200
2018	18	214,950
2019	10	290,050
2020 ¹	1	26,850

¹Tap fees issued through September 30, 2020.
Source: The City

Wastewater Fund Operating History

The Wastewater Fund's principal operating revenue is comprised of charges to customers for sales and services, as described above. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expense not meeting this definition are reported as nonoperating revenues and expenses.

The following table shows a five-year history of the City's Wastewater Fund revenues, expenditures and changes in fund balances.

TABLE IX
Comparative Statement of Revenues, Expenditures, and
Changes in Fund Balance for the Wastewater Fund
Years Ended December 31,

	2015 ¹	2016 ¹	2017 ¹	2018	2019
Revenues					
Charges for Services	\$ 10,402,537	\$ 11,206,334	\$ 10,882,424	\$ 4,097,369	\$ 4,364,579
Other Operating Revenue	<u>142,073</u>	<u>17,745</u>	<u>44,841</u>	<u>--</u>	<u>--</u>
Total	<u>10,544,610</u>	<u>11,224,079</u>	<u>10,927,265</u>	<u>4,097,369</u>	<u>4,364,579</u>
Expenditures					
Administration	1,484,033	1,480,587	1,416,459	54,323	76,693
Facilities	189,891	192,367	219,770	--	--
Fleet	84,883	79,398	42,326	3,154	4,328
Engineering	485,839	662,612	661,093	334,842	303,175
Water Operations	1,003,930	1,123,400	1,177,840	--	--
Lab Operations	498,409	507,654	547,597	--	--
Electrical and Mechanical	523,305	472,371	533,386	210,799	262,156
Distribution and Collection	1,499,666	1,362,025	1,092,036	621,017	456,981
Water Resources Operations	828,739	1,056,749	1,039,124	--	--
Wastewater Operations	1,553,157	1,801,951	1,649,571	1,762,360	1,658,350
Industrial Pre-Treatment	71,970	73,604	91,132	98,537	67,889
Depreciation	<u>2,510,512</u>	<u>2,247,724</u>	<u>2,274,559</u>	<u>1,026,854</u>	<u>1,491,440</u>
Total	<u>10,734,334</u>	<u>11,060,442</u>	<u>10,745,073</u>	<u>4,111,886</u>	<u>4,321,012</u>
Operating Income (Loss)	<u>(189,724)</u>	<u>163,637</u>	<u>182,192</u>	<u>(14,517)</u>	<u>43,567</u>
Nonoperating revenue (Expenses)					
Investment Earnings	76,900	93,717	108,699	60,114	108,372
Taxes-Sales/Use ¹	3,561,700	3,656,420	3,778,572	--	--
Gain on Sales of Capital Assets	68,000	--	--	--	--
Interest and Amortization Expense	(237,708)	(165,525)	(148,048)	--	--
Miscellaneous Revenue	<u>--</u>	<u>--</u>	<u>--</u>	<u>9,974</u>	<u>189,719</u>
Total Nonoperating Revenue	<u>3,468,892</u>	<u>3,584,612</u>	<u>3,739,223</u>	<u>70,088</u>	<u>298,091</u>
Net Change in Fund Balance	3,279,168	3,748,249	3,921,415	55,571	341,658
Beginning Fund Balance	<u>122,772,708</u>	<u>126,051,876</u>	<u>129,800,125</u>	<u>38,440,723</u> ²	<u>38,496,294</u>
Ending Fund Balance	<u>\$126,051,876</u>	<u>\$129,800,125</u>	<u>\$133,721,540</u> ²	<u>\$38,496,294</u>	<u>\$38,837,952</u>

¹ Prior to 2018 the City presented the water and wastewater funds as one fund and restated the beginning net position accordingly.

² Represents a 1/2% sales tax for purchased water rights.

Source: City audited financial statements December 31, 2015-2019

Set forth hereafter is a comparative summary of the 2020 and 2021 Wastewater Fund budgets. The City’s budget for 2021 was adopted by the City Council on October 26, 2020.

TABLE X
Wastewater Fund Budget Summary and Comparison

	2020 Budget (as adopted)	2020 Actual Year to Date (unaudited) ¹	2021 Budget (as adopted)
Revenue:			
User Charges and Fees	\$ 4,708,000	\$3,200,301	\$5,092,000
Other Revenue	<u>70,000</u>	<u>487,498</u>	<u>122,500</u>
Total Revenue	<u>4,778,000</u>	<u>3,687,799</u>	<u>5,214,500</u>
Expenditures:			
Personnel	1,579,724	1,078,852	1,679,377
Purchased Services	650,150	228,397	650,150
Supplies/Non-Capital Equipment	1,029,695	577,563	991,695
Capital Outlay	6,320,627	1,366,129	28,551,892
Miscellaneous	<u>305</u>	<u>1,498</u>	<u>305</u>
Total Expenditures	<u>9,580,501</u>	<u>3,252,439</u>	<u>31,873,419</u>
Excess/(Deficiency) of Revenues Over (Under) Expenditures:	(4,802,501)	435,360	(26,658,919)
Other Financing Sources/(Uses):			
Debt Issuance (Payments)	<u>27,000,000</u>	<u>(30,500)</u>	<u>(1,097,636)</u>
Total Other Financing Sources (Uses)	<u>27,000,000</u>	<u>(30,500)</u>	<u>(1,097,636)</u>
Net Change in Fund Balance:	22,197,499	404,860	<u>27,756,555</u>
Cumulative Fund Balance:			
Beginning Fund Balance	<u>4,302,243</u>	<u>3,808,359</u>	<u>29,490,625</u>
Ending Fund Balance	<u>26,499,742</u>	<u>4,213,219</u>	<u>1,734,070</u>
Less Restrictions, Commitments & Assignments:			
Capital/Infrastructure Commitment	1,000,000	1,000,000	1,000,000
Operating Reserve Commitment	<u>814,969</u>	<u>739,803</u>	<u>734,070</u>
Unassigned Fund Balance	<u>\$24,684,773</u>	<u>2,473,416</u>	<u>0</u>

¹ Unaudited year to date figures through September 30, 2020.
Source: City Finance Department; City’s 2019 and 2020 annual budgets

THE CITY

Description

The City of Northglenn, Colorado is a municipal corporation and a political subdivision of the State, which was incorporated in 1969 and adopted a home rule charter in 1975 (the “Charter”). The Charter confers upon the City all the powers of local self-government and home rule, as well as all municipal powers established by the constitution and laws of the State.

The City is primarily a residential community with an estimated current population of [38,905]. The City covers approximately 7.5 square miles and is located approximately 9 miles north of downtown

Denver. It is bordered by the City of Thornton on the north, east and south, and by the City of Westminster on the west. The City’s core boundaries include approximately 6.5 square miles.

The City provides a broad range of municipal services including police protection, water and wastewater services, stormwater and refuse collection, highway and street maintenance, parks and recreation facilities and programs, planning and zoning and general administrative services. City residents receive fire protection services from the North Metro Fire Rescue District. Other utilities, as well as education and medical services, are provided by various public and private entities.

City Council

The City operates under a council-manager form of government whereby certain powers of the City are vested in an elected City Council (the “Council”), which consists of nine members, including the City Mayor, who are elected to serve staggered four-year terms at the City’s regular municipal election held in November of odd numbered years. Under State law, the Mayor and councilmembers are limited to two consecutive terms in office but may serve more than two terms if they are not continuous. The Mayor, who is the presiding officer of the Council and chief administrative officer of the City, is elected at-large by the general public. The Mayor has no veto power.

The City is divided into four contiguous wards, with each of those wards represented by two elected councilmembers. The Council meetings, held the second and fourth Monday of each month, are presided over by the Mayor. The Mayor has all of the rights, privileges and obligations of a councilmember, and is recognized as the head of the City government for all ceremonial and legal purposes. The Council also elects a mayor pro-tem from its membership to serve in the absence of the Mayor or his or her inability to act. Vacancies on the Council must be filled by appointment by a majority vote of the remaining councilmembers within 30 days. Vacancies are filled until the next regular election.

City Council Member	Present Term Expires (November)¹	Principal Occupation
Meredith Leighty, Mayor	2023	Education
Ashley Witkovich, Ward 1	2023	Legal Support
Randall Peterson 1	2021	Education
Becky Brown, Ward 2	2023	Information Technology
Joyce Downing, Ward 2	2021	Retired
Julie Duran Mullica, Ward 3	2021	Healthcare
Katherine Goff, Ward 3	2023	Retired
Jenny Willford, Ward 4	2021	Consulting
Antonio B. Esquibel, Ward 4	2023	Retired

¹ Council members are elected in November and take office at the first Council meeting following the certification of election results.

The Council is assisted in its policy directives by numerous boards and commissions whose membership consists of citizens, City staff and councilmembers.

The Council effects its decisions through the passage of ordinances, resolutions and motions. All legislative enactments of a permanent nature, and certain matters specified in the Charter, must be in the form of an ordinance; all other acts may be in the form of resolutions or motions. The Charter reserves to the electors the powers of initiative and referendum.

Administration and Management

The council-manager form of government vests responsibility for City operations in the City Manager and City staff. The City Manager is appointed by the City Council and serves for an indefinite term at the pleasure of the Council. The staff functions through the City's various departments which are under the direction of the City Manager.

The administrative and management personnel of the City most directly involved in the issuance of the Series 2021 Bonds are the City Manager, the Finance Director and the City Attorney. These individuals' duties in City government and their relevant experience are summarized below.

City Manager. The City Manager is the chief administrative officer of the City. The City Manager is responsible for enforcing all laws and ordinances governing the City, appointing and removing (except as otherwise provided in the Charter) all directors of departments and other City employees, exercising control and supervision over all City departments, reporting to the Council and attending Council meetings as required by Council, recommending to the Council for adoption such measures as he or she may deem necessary or expedient, advising the Council as to the financial condition of the City, preparing and submitting to the Council and annual budget, enforcing all franchise rights and provisions, preparing the agenda for all regular and special meetings of the Council, and performing such other duties as may be required by the Charter or by resolution or ordinance of the Council.

Heather Geyer was appointed City Manager in July of 2018. Prior to her appointment, Ms. Geyer worked for the City of Wheat Ridge, serving as the Assistant to the City Manager/Public Information Officer from 2007 to 2010, and then as the Administrative Services Director until beginning her career with the City. Ms. Geyer is a founding member of Colorado Women Leading Government, and serves as a Mountain Plains Regional Vice President on the International City-Council Management Association ("ICMA") Executive Board of Directors. Ms. Geyer received her Bachelor's degree in Political Science and Public Policy from the University of Denver, and her Master of Arts degree in Political Science with an emphasis in Public Policy from the University of Colorado at Denver. She is a graduate of the Senior Executive Institute, and a graduate of the Leadership ICMA Class, and is an ICMA Credentialed Manager Candidate. Ms. Geyer has received numerous national and state awards for organizational and budget development and communications.

Finance Director. This position acts under the direction of the City Manager in the administration and recording of all financial activities of the City. The responsibilities include, among others, revenue collection, cash management, management of accounts payable, payroll, utility billing, sales tax collection, and general accounting and reporting.

Jason Loveland was appointed Finance Director for the City in 2012. From August of 2009 to September of 2012, Mr. Loveland served as the City Controller. Prior to working in local government, he held various roles in public accounting. Mr. Loveland holds Bachelor of Science degree from the University of Wyoming in Accounting and Business Administration with a minor in Finance. In 2015, he was awarded the Significant Contribution Award from the Colorado Government Finance Officers Association for his work on financial transparency and data-driven decisions. Mr. Loveland has also been recognized by the Colorado Public Plan Coalition for fiduciary excellence.

City Attorney. The City Attorney is the chief legal officer of the City. The City Attorney is appointed by the Council and serves at the pleasure of the Council. The City Attorney is the legal representative of the City and is responsible for advising the Council and City officials in matters relating to their official powers and duties, as well as performing such other duties as the Council may prescribe by ordinance or resolution.

Corey Y. Hoffmann is a director and shareholder of the law firm Hoffmann, Parker, Wilson & Carberry, P.C. where he practices primarily in the areas of local government law, litigation and urban renewal. Mr. Hoffman has served as the City Attorney since 2005. He serves as City or Town Attorney to several other Colorado municipalities. In addition, Mr. Hoffmann serves as general or special counsel to numerous other local governmental entities. Mr. Hoffman received his Bachelor of Arts degree, with honors, from the University of California at Santa Barbara in 1989 and received his Juris Doctorate degree, cum laude, from California Western School of Law in 1993.

Employees

The City currently employs approximately [230] full time and [60] regular part time employees. In addition, approximately [50] seasonal employees are hired during the summer months as laborers within park operations and to assist with recreation-related summer programs. Total compensation for employees includes a benefit package of accruable general leave (including vacation and sick leave) and health, dental, long term disability and life insurance. Seasonal and part time employees do not receive such benefits. The City does not recognize any union as the representative of the employees for collective bargaining purposes. City management characterizes employee relations as stable.

Pension Plans and Other Post-Employment Benefits

The City administers and maintains two single-employer, defined contribution plans: (1) the Police Money Purchase Pension Plan; and (2) the General Employee's Pension Plan.

The Police Money Purchase Pension Plan covers all commissioned police employees. Eligible employees must participate from the date of full-time employment. Each employee participant is required to contribute 12% of his or her compensation to the PMPPP. During fiscal year 2019, the City's contribution level to the PMPPP was 8%, then, upon completion of five years of eligible service, 9%, and finally, upon completion of ten years of eligible service, 10%. Participants are fully vested after seven years of continuous service, or upon the occurrence of any of the following events: the employee reaches normal retirement age; the employee dies; or the employee becomes permanently disabled. Should such event occur, the employee's account becomes fully vested, regardless of length of service. Should an employee leave covered employment before becoming fully vested, accumulated employee contributions, related investment earnings, and any vested City contributions and related investment earnings remain with the employee. Forfeitures by employees who leave before seven years of service are used to pay the PMPPP's administrative expenses and may be used at the discretion of the City's Pension Board's to reduce City contributions.

In 2019, the City made required contributions to the PMPPP totaling \$461,645. Covered employees under the PMPPP contributed \$613,035.

The General Employees' Pension Plan (the "GEPP") provides pension benefits for all of the City's full-time employees that are not otherwise covered by the PMPPP. Eligible employees must participate from the date of full-time employment. Each employee participant is required to contribute 12% of his or her compensation to the GEPP. During fiscal year 2019, the City's contribution level to the GEPP was 8%, then, upon completion of five years of eligible service, 9%, and finally, upon completion of ten years of eligible service, 10%. A participant's interest in the contributions made by the City, as well as the related investment earnings, become vested to the extent of percentages based on number of years of service, as set forth in the GEPP. Participants are fully vested after six years of continuous service, or upon the occurrence of any of the following events: the employee reaches normal retirement

age; the employee dies; or the employee becomes permanently disabled. Should such event occur, the employee's account becomes fully vested, regardless of length of service. Should an employee leave covered employment before becoming fully vested, accumulated employee contributions, related investment earnings, and any vested City contributions and related investment earnings remain with the employee. Forfeitures by employees who leave before six years of service are used to pay the GEPP's administrative expenses and may be used at the discretion of the City's Pension Board's to reduce City contributions.

In 2019, the City made required contributions to the GEPP totaling \$980,961. Covered employees under the GEPP contributed \$1,287,329.

In addition to the pension plans described above, the City administers a single-employer defined benefit healthcare plan known as the Retiree Health Program (the "Program"). The Program provides fully-insured medical plans (including prescription drug benefits to eligible retirees and their eligible dependents) offered through Kaiser Permanente, until the participant reaches age 65 or becomes eligible for Medicare. Benefits under the Program are provided for active employees and retirees under the same health care plans. The City contributes 50% of the cost of the premium for single coverage on behalf of the retiree, and the retiree is responsible for paying the remainder of the premium, as well as 100% of the cost of continuing coverage for a spouse or family member.

The City's annual Other Post-Employment Benefit ("OPEB") cost is calculated based on the annual required contribution of the City, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75"), effective for the City beginning with its fiscal year ending December 31, 2018. GASB 75 requires governmental entities to report a liability on the face of the financial statements for the OPEB provided. Additionally, GASB 75 outlines the reporting requirements of governmental entities for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust, and OPEB not provided through a trust. Finally, GASB 75 requires governmental entities to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The City's annual OPEB cost for fiscal year ended December 31, 2019 was \$45,761. The net OPEB obligation for fiscal year ended December 31, 2018 is \$741,985.

A description of the City's pension plan and post-employment benefit obligations is included in the City's 2019 audited financial statements in APPENDIX C hereto.

City Insurance Coverage

The City provides medical, dental and vision insurance for eligible employees. The medical plans are fully insured plans through Kaiser Permanente.

The City is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S. provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the City, for injuries which lie in tort or could lie in tort. In 1982, the City determined to provide further coverage by joining the Colorado Intergovernmental Risk Sharing Agency ("CIRSA"), a public entity risk pool formed in 1982 to provide property and liability and workers' compensation coverage and related services for its member municipalities. The City pays an annual premium to CIRSA for the property and liability insurance coverage and risk management services. All Colorado municipalities that are members of the Colorado Municipal League are eligible to participate in CIRSA. CIRSA's general objectives are to provide

member municipalities and special districts defined property and liability and workers' compensation coverage through joint self-insurance and excess insurance.

The City continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health insurance. Workers' Compensation insurance is purchased from Pinnacle Assurance. The workers' compensation premium is calculated on a retrospective rate. The City continues to qualify for the cost containment certificate from the State of Colorado, which reduces the City's workers' compensation premiums by 5% annually.

Death and disability insurance for police officers hired prior to January 1997 is provided by the Fire and Police Pension Association (the "FPPA") on behalf of the City. The State made one payment to the FPPA in 1997 to fully fund this insurance for officers hired before 1997. Death and disability insurance for police officers hired after December 1996 is purchased from the FPPA. In 1996 the State legislature elected to cease providing State funding for disability insurance for police officers beginning with officers hired after December 31, 1996.

Current Financial Obligations

The City's financial obligations are summarized in detail in the City's 2019 audited financial statements attached as APPENDIX C to this Official Statement. With the exception of lease-purchase obligations subject to annual appropriation, enterprise revenue bonds and refunding obligations issued at a lower interest rate, the issuance of multi-year financial obligations by the City generally requires voter approval as described under the caption "CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, SPENDING AND BORROWING."

Accounting Policies

The accounts of the City are organized on the basis of funds and account groups. Such funds are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. Financial operations are accounted for by the City's Finance Department which prepares monthly financial statements. State law and the Charter require that an audit be made of the City's financial statements at the end of the fiscal year. The audited financial statements must be filed with the Council within six months after the end of the fiscal year and with the state auditor 30 days thereafter. Failure to file an audit report may result in the withholding of the City's property tax revenues by the County Treasurer of the County (the "County Treasurer") pending compliance.

Financial Statements

Under Colorado law the Council is required to have the financial statements of the City audited at least annually. The audited financial statements must be filed with the Council by July 1 of each year, and with the State Auditor 30 days thereafter. If such audit is not filed with the State Auditor, he or she may authorize the County Treasurer to hold moneys of the City generated pursuant to the City's taxing authority to prohibit the release of such money until the City complies with the audit law.

The City's audited financial statements for the fiscal year ended December 31, 2019 are attached as APPENDIX C to this Official Statement.

CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING

At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution, constituting Section 20 of Article X of the Colorado Constitution (“TABOR”) limiting the ability of the State and local governments such as the City to increase revenues, debt and spending and restricting property, income and other taxes. Generally, TABOR limits the percentage increases in spending and tax revenues to the prior year’s amounts, adjusted for inflation, local growth and voter approved changes, requires the maintenance of certain reserves, and prohibits the imposition of new real estate transfer taxes. In addition, TABOR requires that the State and local governments obtain voter approval for certain tax or tax rate increases or to keep or spend revenues received in excess of TABOR limits, and to create any “multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years,” except for refinancing debt at a lower interest rate or adding new employees to existing pension plans.

On November 8, 1994, the City’s electorate voted to permit the City to collect, retain and expend the full proceeds of the City’s sales and use tax, accommodations tax, non-federal grants, fees and other revenues, notwithstanding any State restriction on fiscal year spending, including, without limitation, the restrictions of TABOR.

TABOR excepts from its restrictions the borrowings and fiscal operations of “enterprises,” which term is defined to include government owned businesses authorized to issue their own revenue bonds and receiving under 10% of their revenues in grants from all State and local governments combined. In a 1995 decision, the Colorado Supreme Court held that a governmental entity with taxing power was not itself an “enterprise.” The Enterprise has no taxing power and receives no material portion of its revenues from governmental sources, and the Series 2021 Bonds are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation. The City therefore treats the Enterprise as an “enterprise” within the meaning of TABOR. See “THE ENTERPRISE.”

RATING

S&P Global Ratings (“S&P”) has assigned a rating of “[_]” ([_] outlook) to the Series 2021 Bonds. Such rating reflects only the view of the rating agency, and does not constitute a recommendation to buy, sell or hold securities. An explanation of the significance of such rating may be obtained from the rating agency. [to be updated as needed for insurance]

The rating is subject to revision or withdrawal at any time by the rating agency and there is no assurance that the rating will continue for any period of time or that it will not be revised or withdrawn. The Underwriter has undertaken no responsibility either to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the rating of the Series 2021 Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Series 2021 Bonds.

LITIGATION

There is no litigation now pending or, to the knowledge of the City officials responsible for the issuance of the Series 2021 Bonds, threatened which questions the validity of the Series 2021 Bonds or of any proceedings of the City taken with respect to issuance or sale thereof. [Confirm]

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2021 Bonds. Failure to comply with such requirements could cause interest on the Series 2021 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2021 Bonds. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2021 Bonds.

The accrual or receipt of interest on the Series 2021 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2021 Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2021 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2021 Bonds.

Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2021 Bonds under the laws of Colorado or any other state or jurisdiction.

Original Issue Premium

The Series 2021 Bonds that have an original yield below their respective interest rates, as shown on the cover of this Official Statement (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2021 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on any Owner of the Series 2021 Bonds who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2021 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Series 2021 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2021 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2021 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2021 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2021 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2021 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2021 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2021 BONDS.

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated, is employed as Financial Advisor to the City to render certain professional services including advising the City concerning the plan of financing for the Series 2021 Bonds. [Under the terms of its agreement with the City, the Financial Advisor will not be permitted to bid on the Series 2021 Bonds, either as a sole bidder or as a member of any syndicate].

UNDERWRITING

RBC Capital Markets, LLC (the “Underwriter”), has agreed to purchase the Series 2021 Bonds from the City at a negotiated sale, for an aggregate purchase price of \$_____ (consisting of the aggregate principal amount of the Series 2021 Bonds of \$_____ plus premium in the amount of \$_____ less an underwriting discount of \$_____). The Underwriter is committed to take and pay for all of the Series 2021 Bonds if any are taken.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its

respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the City. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the City.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Series 2021 Bonds are subject to approval by Kutak Rock LLP, Bond Counsel, whose opinion is expected to be delivered in substantially the form set forth in APPENDIX A hereto. In addition to acting as Bond Counsel, Kutak Rock LLP has also been retained to advise the City concerning, and has assisted in, the preparation of this Official Statement. Certain legal matters will be passed upon for the City by the office of the City Attorney.

FINANCIAL STATEMENTS

The basic financial statements of the City for the fiscal year ended December 31, 2019, which are included here as APPENDIX C, have been audited by independent auditors, RSM US LLP, independent certified public accountants, Denver, Colorado, as stated in their report appearing therein. RSM US LLP has not been engaged to perform, and has not performed, since the date of their report included therein, any procedures on the financial statements addressed in that report. RSM US LLP also has not performed any procedures relating to this Official Statement.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any such estimates will be realized. This Official Statement shall not be construed as a contract between the City and any person.

The execution and delivery of this Official Statement have been duly authorized by the City Council.

CITY OF NORTHGLENN, COLORADO

By /s/ _____
Mayor

APPENDIX A

FORM OF OPINION OF BOND COUNSEL

February __, 2021

City of Northglenn, Colorado

RBC Capital Markets, LLC

\$ _____

**City of Northglenn, Colorado
acting by and through its
Wastewater Enterprise
Wastewater Revenue Bonds
Series 2021**

Ladies and Gentlemen:

We have been engaged by the City of Northglenn, Colorado (the “City”) to act as bond counsel in connection with the issuance of the above bonds (the “Series 2021 Bonds”). The Series 2021 Bonds are being issued by the City, acting by and through its Wastewater Enterprise (the “Enterprise”), pursuant to Ordinance No. _____ (the “Bond Ordinance”), as supplemented by a Final Terms Certificate dated February __, 2021 (the “Final Terms Certificate”). The Bond Ordinance, as supplemented by the Final Terms Certificate, is referred to herein as the “Ordinance.” Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Ordinance.

In our capacity as bond counsel, we have examined the Constitution and the laws of the State of Colorado (the “State”), the home rule charter (the “Charter”) of the City, and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraph 2 below; the transcript of the proceedings relating to the issuance of the Series 2021 Bonds; the Ordinance, and such other certificates, documents, opinions and papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certifications in the transcript of proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon and in reliance on the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

1. The Series 2021 Bonds have been duly authorized, executed and delivered by the City under the laws of the State of Colorado now in force and are valid and binding special and limited obligations of the City, acting by and through the Enterprise, payable on the terms, and subject to the conditions, stated in the Ordinance, and enforceable according to their terms except to the extent such enforcement is limited by the bankruptcy laws of the United States of America, by the reasonable exercise of the sovereign police power of the State of Colorado, and

by the exercise of the powers delegated to the United States of America by the federal constitution.

2. Under existing laws, regulations, rulings and judicial decisions, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax.

3. Under Colorado statutes existing on the date hereof, to the extent interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes, interest on the Series 2021 Bonds is excludable from gross income for State of Colorado income tax purposes and from the calculation of Colorado alternative minimum tax.

The opinions expressed in numbered paragraphs (2) and (3) assume the accuracy of the City's representations and compliance by the City of the covenants designed to satisfy the requirements of the Code that must be satisfied subsequent to the issuance of the Series 2021 Bonds. The City has covenanted to comply with all such requirements. The failure to comply with certain of such requirements may cause interest on the Series 2021 Bonds to be included in gross income for federal and state income tax purposes retroactive to the date of issuance of the Series 2021 Bonds. We express no opinion regarding other federal or state tax consequences arising with respect to the Series 2021 Bonds.

We express no opinion herein with respect to the accuracy, completeness or sufficiency of any documents prepared or used or statements made in connection with the offering or sale of the Series 2021 Bonds.

This opinion is delivered based and in reliance upon our examination of the laws, documents and other items specifically described in the second paragraph hereof on the date hereof and we have no obligation to supplement or update this opinion based on or with respect to changes in such laws, documents or other items or with respect to any other event that occurs after the date hereof. The opinions expressed in this letter are given as of the date hereof, and we assume no obligation to update, revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

[To be inserted upon finalization of Ordinance]

APPENDIX C

**AUDITED FINANCIAL STATEMENTS OF THE CITY
AS OF DECEMBER 31, 2019**

APPENDIX D

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in the City and surrounding Adams County. Since only a small portion of the City is located in Weld County, economic information for Weld County is not provided herein. It is intended only to provide prospective investors with general information regarding the City’s community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The City makes no representation as to the accuracy or completeness of data obtained from parties other than the City.

Population and Median Age

The following table sets forth the population of the City, Adams County (the “County”), the State and the Denver metropolitan statistical area (the “DMA”), which includes the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson.

Year	Population							
	City of Northglenn	Percent Change	Adams County	Percent Change	DMA	Percent Change	Colorado	Percent Change
1970	27,937	--	185,789	--	1,238,205	--	2,207,259	--
1980	29,847	6.84%	245,944	32.38%	1,618,461	30.71%	2,889,964	30.93%
1990	27,195	(8.89)	265,038	7.76	1,848,319	14.20	3,294,394	13.99
2000	31,575	16.11	363,857	37.28	2,401,501	29.93	4,301,261	30.56
2010	35,789	13.35	441,603	21.37	2,784,228	15.94	5,029,196	16.92
2019 ¹	38,595	7.84	517,885	17.27	3,236,481	16.24	5,763,976	14.61

¹ Estimate.

Source: U.S. Department of Commerce, Bureau of the Census, and Colorado Division of Local Government, Demography Section

Housing Stock

The following table sets forth information on housing units in the City and County.

	Housing Units		
	2000	2010	2019 ¹
Northglenn (City of)	12,051	14,274	14,428
Adams County	132,594	163,136	178,987

¹ Estimate.

Source: U.S. Department of Commerce, Bureau of the Census

Income

The following tables set forth historical median household effective buying income, the percentage of households by classification of effective buying income (“EBI”) levels, and the per capita personal income levels in the County, the State and the United States.

Median Household Effective Buying Income ¹

	2016	2017	2018	2019	2020
Adams County	\$49,918	\$52,915	\$58,065	\$60,370	\$61,005
Colorado	52,345	54,718	57,732	59,227	62,340
United States	46,738	48,043	50,620	52,468	54,686

¹ As calculated on January 1 of each year.

Source: The Nielsen Company, *Site Reports*, 2016-2017; Environics Analytics, *Spotlight Claritas Reports* 2018-2020

Percent of Households by Effective Buying Income Groups—2020 ¹

	Less Than \$25,000	\$25,000- \$49,999	\$50,000- \$99,999	\$100,000- \$149,999	\$150,000 and more
Adams County	13.62%	26.08%	40.93%	13.31%	6.07%
Colorado	15.57	24.20	36.17	14.08	9.98
United States	20.24	25.61	34.10	11.57	8.47

¹ As calculated on January 1. Totals may not equal 100% due to rounding.

Source: Environics Analytics, *Spotlight Claritas Reports* 2020

Per Capita Personal Income

	2014	2015	2016	2017	2018
Adams County	\$36,827	\$38,451	\$39,618	\$41,215	\$43,315
Colorado	50,746	52,228	52,372	54,646	58,456
United States	47,025	48,940	49,831	51,640	54,446

Source: Bureau of Economic Analysis; United States Department of Commerce

Retail Sales

The retail trade sector employs a large portion of the City and County’s work force and is important to the area’s economy. The following table sets forth information on retail sales within the City, County and the State for the years indicated.

Retail Sales (in thousands)¹						
Year	Adams County	Percent Change	Northglenn	Percent Change	Colorado	Percent Change
2016	\$22,635,718	--	\$839,354	--	\$184,703,410	--
2017	24,642,754	8.87%	865,464	3.11%	194,641,958	5.38%
2018	26,879,732	9.08	833,711	(3.67)	206,121,045	5.90
2019	26,828,311	(0.19)	852,937	2.31	224,618,938	8.97
2020 ¹	18,679,356	--	644,360	--	163,922,448	--

¹ Due to a change in reporting format, figures for 2015 have been excluded as they are not directly comparable to subsequent years.

² Retail sales through September 30, 2020.

Source: State of Colorado, Department of Revenue, Retail Sales Reports 2016-2020

School Enrollment

The following table presents a five-year history of enrollment for Adams 12 Five Star Schools, the primary school district serving the City.

District Enrollment		
School Year	Enrollment	Percent Change
2015/2016	39,287	--
2016/2017	38,818	(1.19)%
2017/2018	38,870	0.13
2018/2019	39,282	1.06
2019/2020	38,707	(1.46)

Source: Colorado Department of Education

Building Permit Activity

Set forth in the following tables set forth historical building permit activity for the City and the County.

History of Building Permit Activity in the City of Northglenn

Year	Non-Residential ¹		Residential	
	Permits	Valuation	Permits	Valuation
2015	381	\$ 3,689,878	56	\$ 5,855,167
2016	447	3,501,940	158	22,198,702
2017	187	34,342,085	1,409	9,654,846
2018	309	11,672,395	2,126	17,545,433
2019	184	10,638,664	1,644	14,066,596
2020 ²	134	52,117,349	1,332	11,049,169

¹ Includes residential additions/alterations, accessory, recreational and miscellaneous structures and electrical permits.

² Permits filed through November 30, 2020.

Source: City Building Department

History of Building Permit Activity in Unincorporated Adams County

Year	Single-Family		Multi-Family		Commercial/Industrial	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2015	315	\$79,976,817	17	\$ 3,324,558	1	\$ 100,000
2016	282	79,011,854	34	5,737,631	3	253,000
2017	249	65,778,999	18	4,280,705	3	831,617
2018	267	62,981,267	31	20,285,096	12	14,348,795
2019	282	56,348,225	13	3,771,265	10	2,545,404
2020 ¹	147	40,493,739	16	11,969,828	21	90,655,490

¹ Building permits issued through August 31, 2020, most recent available from the County.

Source: Adams County Planning and Development Department

Foreclosure Activity

Set forth in the following table is a history of foreclosures in Adams County.

Year	Foreclosures	Percent Change
2015	763	--
2016	704	(7.73)%
2017	660	(6.25)
2018	616	(6.67)
2019	649	5.36
2020 ¹	195	--

¹ Foreclosures filed through October 27, 2019.
Source: Adams County Public Trustee

Employment

The following tables set forth employment statistics by industry for the County and the most recent historical labor force estimates for the County, the Denver-Aurora-Lakewood metropolitan statistical area (the “Denver-Aurora-Lakewood MSA”) and the State.

Total Business Establishments and Employment—Adams County

Industry ¹	Second Quarter 2019		Second Quarter 2020		Quarterly Change	
	Units	Average Employment	Units	Average Employment	Units	Average Employment
Agriculture, Forestry, Fishing and Hunting	55	1,663	57	1,318	2	(345)
Mining	64	1,285	65	797	1	(488)
Utilities	18	619	17	614	(1)	(5)
Construction	1672	23,573	1,731	23,609	59	36
Manufacturing	493	14,393	490	13,564	(3)	(829)
Wholesale Trade	1,106	16,886	1,112	16,490	6	(396)
Retail Trade	1,107	20,688	1,121	18,854	14	(1,834)
Transportation and Warehousing	629	20,628	654	24,870	25	4,242
Information	149	2,480	158	2,132	9	(348)
Finance and Insurance	504	3,422	504	3,277	0	(145)
Real Estate, Rental and Leasing	578	3,482	632	2,932	54	(550)
Professional and Technical Services	1,387	6,973	1,503	6,872	116	(101)
Management of Companies and Enterprises	130	1,749	148	1,684	18	(65)
Administrative and Waste Services	766	15,077	803	13,455	37	(1,622)
Educational Services	149	980	153	809	4	(171)
Health Care and Social Assistance	853	20,418	864	17,601	11	(2,817)
Arts, Entertainment and Recreation	118	2,090	124	1,011	6	(1,079)
Accommodation and Food Services	809	18,085	845	13,486	36	(4,599)
Other Services	889	6,203	973	5,230	84	(973)
Non-classifiable	7	15	9	18	2	3
Government	125	43,347	125	43,314	0	(33)
Total	<u>11,608</u>	<u>224,056</u>	<u>12,088</u>	<u>211,937</u>	<u>480</u>	<u>(12,119)</u>

¹ Information provided herein reflects only those employers who are subject to State unemployment insurance law.
Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW)

Labor Force Estimates

Year	Adams County		Denver-Aurora-Lakewood MSA		Colorado	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2015	247,734	4.4%	1,505,494	3.7%	2,825,111	3.9%
2016	253,398	3.6	1,540,407	3.1	2,891,677	3.3
2017	260,525	3.0	1,589,449	2.7	2,986,522	2.8
2018	269,228	3.3	1,639,035	3.0	3,080,661	3.2
2019	275,440	2.9	1,677,324	2.7	3,148,766	2.8
2020 ^{1,2}	276,100	7.8	1,679,599	7.3	3,123,782	7.1

¹ Average labor force through September 30, 2020.

² As a result of the COVID-19 pandemic and the federal government induced quarantine, unemployment numbers increased exponentially since reported in April. See “RISK FACTORS—COVID-19.”

Source: State of Colorado, Division of Employment and Training, Labor Market Information

Selected major employers in the County and the Denver Metropolitan area are set forth in the following table. No independent investigation has been made of, and there can be no representation as to, the stability or financial condition of the companies listed below, or the likelihood that such companies will maintain their status as major employers in the area.

Selected Major Employers in Adams County ^{1,2}

Firm	Product or Service	Estimated Number of Employees
University of Colorado Hospital	Healthcare, Research	9,160
Children’s Hospital Colorado	Healthcare	6,160
United Parcel Service	Parcel Delivery	3,950
Amazon	Warehousing & Distribution	3,890
FedEx	Shipping & Logistics Service	1,580
Sturgeon Electric	Electrical Services	1,480
Shamrock Foods	Food Purveyor	900
SRO Originals	Bakery Product Mfg. & Dist.	900
Maxar Technologies	Space Technology	880
ADC Alliance Data Systems	Network & Credit Auth. Services	850

¹ As of December 31, 2019

² Does not include governmental entity employers.

Source: *Adams County Economic Development Inc.*

Selected Major Employers in the Denver Metropolitan Area¹

Firm	Product or Service	Estimated Number of Employees
U.S. Government	Federal Government	36,222
State of Colorado	State Government	29,180
University of Colorado System	University and Health Care Services	22,984
UCHealth	Health Care	18,900
Denver Public Schools	Education	15,386
Centura Health	Nonprofit Health Care	14,450
Jefferson County Public Schools	Education	14,436
City & County of Denver	City Government	12,445
SCL Health	Nonprofit Health Care	12,385
HCA-HealthONE LLC	Health Care	11,370

¹ As of December 31, 2018.

Source: *Denver Business Journal*, July 12, 2019

APPENDIX E

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Undertaking”) is executed and delivered, as of February __, 2021, by the City of Northglenn, Colorado, acting by and through its Wastewater Enterprise (the “City”), in connection with the issuance of its Wastewater Revenue Bonds, Series 2021, in the aggregate principal amount of \$_____ dated as of the date of delivery (the “Series 2021 Bonds”). The Series 2021 Bonds are being issued pursuant to an ordinance of the City authorizing the execution and delivery of the Series 2021 Bonds (the “Ordinance”). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Ordinance.

In consideration of the issuance of the Series 2021 Bonds by the City and the purchase of such Series 2021 Bonds by the owners thereof, the City hereby covenants and agrees as follows:

Section 1. Purpose of This Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below, for the benefit of the holders and owners (the “Owners”) of the Series 2021 Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below).

Section 2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4 hereof.

“*Audited Financial Statements*” means the audited consolidated financial statements of the City, prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means, initially the City, or any successor agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Listed Event*” means the occurrence of any of the events with respect to the Series 2021 Bonds set forth in Exhibit II.

“*Listed Events Disclosure*” means dissemination of a notice of a Listed Event as set forth in Section 6 hereof.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriter” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series 2021 Bonds.

“Prescribed Form” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“Rule” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“State” means the State of Colorado.

Section 3. CUSIP Number/Final Official Statement. The final CUSIP¹, of the Series 2021 Bonds is _____. The final Official Statement relating to the Series 2021 Bonds is dated as of January __, 2021 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 10 of this Undertaking, the City hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by the City’s delivery of such Annual Financial Information and Audited Financial Statements to the MSRB within 270 days of the completion date of the City’s fiscal year.

The City is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Listed Events Disclosure. Subject to Section 10 of this Undertaking, the City hereby covenants that it will disseminate in a timely manner, not in excess of 10 Business Days after the occurrence of the event, Listed Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2021 Bonds or defeasance of any Series 2021 Bonds need not be given under this Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2021 Bonds pursuant to the Ordinance. From and after the Effective Date, the City is required to deliver such Listed Events Disclosure in the same manner as provided by Section 4 of this Undertaking.

¹ The City takes no responsibility for the accuracy of the CUSIP numbers, which are included solely for the convenience of owners of the Series 2021 Bonds.

© Copyright 2020 CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, a division of S&P Global.

Section 6. Duty to Update EMMA/MSRB. The City shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner, not in excess of 10 Business Days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the Owner of any Series 2021 Bond may seek specific performance by court order to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an Event of Default under the Ordinance or any other agreement, and the sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City may amend this Undertaking, and any provision of this Undertaking may be waived, if:

(i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;

(ii) this Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) the amendment or waiver does not materially impair the interests of the Owners of the Series 2021 Bonds, as determined either by parties unaffiliated with the City or the City (such as the paying agent) or by an approving vote of the Owners Representative or of the Owners of the Series 2021 Bonds holding a majority of the aggregate principal amount of the Series 2021 Bonds (excluding Series 2021 Bonds held by or on behalf of the City or its affiliates) at the time of the amendment, pursuant to the terms of the Ordinance; or

(iv) the amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. This Undertaking shall be terminated hereunder when the City shall no longer have any legal liability under the terms of the Ordinance pursuant to the terms of the Ordinance for any obligation on or relating to the repayment of the Series 2021 Bonds. The City shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Dissemination Agent shall transmit all information delivered to it by the City hereunder to the MSRB as provided in this Undertaking. The City may, from time to time, appoint or engage a substitute Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is

required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall not have any obligation under this Undertaking to update such information or include it in any future disclosure or notice of the occurrence of a Listed Event.

Section 12. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, the City, the Owner Representative and the Owners of the Series 2021 Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 15. Assignment. The City shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the City under this Undertaking or to execute a continuing disclosure undertaking under the Rule.

Section 16. Governing Law. This Undertaking shall be governed by the laws of the State.

EXECUTED as of the date first set forth above.

THE CITY OF NORTHGLENN, COLORADO

By _____
Mayor

ATTEST:

By _____
City Clerk

EXHIBIT I

**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS**

“*Annual Financial Information*” means statistical and tabular material of the type contained in the final Official Statement pertaining to the Series 2021 Bonds appearing or incorporated by reference in the following tables:

Table __:

Table __:

Table __:

Table __:

Table __:

Table __:

Table __:

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission, and such information need not be provided in the exact format as shown in the Final Official Statement. The City shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 270 days after the last day of the City’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 Business Days after availability to the City.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, including for this purpose a change made to the fiscal year end of the City, the City will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE SERIES 2021 BONDS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Nonpayment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City ²
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional paying agent or the change of name of a paying agent, if material
15. Incurrence of a financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the City, any of which reflect financial difficulties.

² This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

APPENDIX F

INFORMATION RELATED TO BOOK-ENTRY-ONLY SYSTEM

The information in this Appendix concerning The Depository Trust Company (“DTC”) and DTC’s book entry-only system has been obtained from DTC, and the City and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for the Series 2021 Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Series 2021 Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others both as U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has S&P’s highest rating: “AAA.” The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2021 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021 Bonds, except in the event that use of the book entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Bond documents. For example, Beneficial Owners of the Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within the issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Bonds unless authorized by a Direct Participant on accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2021 Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

PAYING AGENT AND REGISTRAR AGREEMENT

In consideration of the mutual promises and covenants and subject to the terms, conditions, and covenants hereinafter recited, **THE CITY OF NORTHGLENN**, in Adams and Weld Counties, Colorado, acting by and through its Wastewater Enterprise (the “City”), hereby appoints **UMB BANK, N.A.**, Denver, Colorado (the “Bank”), and the Bank accepts such appointment, as Paying Agent (the “Paying Agent”) for the City’s Wastewater Revenue Bonds, Series 2021, issued in the principal amount of \$_____ and dated February __, 2021 (the “Bonds”). The City also appoints the Bank, and the Bank accepts such appointment, as the authenticating registrar (the “Registrar”) for the Bonds.

Section 1. The Bank hereby accepts all duties and responsibilities required or permitted to be performed by the Registrar and/or Paying Agent as provided in the ordinance authorizing the issuance of the Bonds (the “Ordinance”), adopted on second reading on December [21], 2020 by the City Council of the City (the “Council”), acting in such capacity and as the governing Board of the City’s Wastewater Enterprise, and shall be subject to the provisions and limitations thereof. Such Ordinance is incorporated herein by reference and capitalized terms used but not otherwise defined herein shall have the respective meanings provided in the Ordinance.

Section 2. The Bank understands and acknowledges that, by reason of the execution hereof, it has assumed a role of agent with respect to the disbursements of funds received from the City for the purpose of paying the principal of and interest due on the Bonds. The Bank shall receive and disburse such funds solely in accordance with the terms and provisions hereof, and shall remit to the City the funds not necessary for the purpose of making the aforesaid payments on the Bonds after any particular Due Date, as defined in Section 5 hereof.

Section 3. The Bank shall establish the registration books for the Bonds and thereafter maintain such books in accordance with the provisions of the Ordinance. The City shall be permitted to review the registration books at any time during the regular business hours of the Bank and, upon written request to the Bank, shall be provided a copy of the list of registered owners of the Bonds. Upon expiration or other termination of this Agreement, in the event that the Bonds are no longer held in book-entry form, the Bank shall promptly return such registration books to the City.

Section 4. The Bank shall establish a “Cost of Issuance” account to pay costs of issuance associated with the issuance of the Bonds. Funds shall be disbursed by the Bank from the Costs of Issuance account upon written direction from the City in accordance with the closing memorandum prepared by the Underwriter, which shall summarize the approved costs. The Bank may rely conclusively on any such direction and shall not be required to make any independent investigation in connection therewith. Any amounts remaining in such account within 60 days of the date of this Agreement shall be transferred to the Bond Account or at the written direction of the City.

Section 5. The Bank shall make payments of principal and interest on the Bonds on each date established for payment thereof (each, a “Due Date”). Prior to a Due Date, the City shall furnish funds to the Bank in amounts sufficient to pay all amounts due. Such funds shall be used by the Bank solely for the purpose of paying the principal of and interest on the Bonds in

accordance with their terms and the provisions of the Ordinance and the Final Terms Certificate. The Bank shall have no duty to make any payments prior to any Due Date or until funds necessary to cover all payments due on the Due Date have been deposited with it. The Bank shall not be required to advance its own funds for any payments in connection with the Bonds. The Bank shall not be required to invest or to pay interest on any funds of the City for any period during which such funds are held by the Bank awaiting the presentation of the Bonds for payment.

Section 6. The Bank shall be entitled to payments from the City of its fees and reasonable expenses for acting as Paying Agent and Registrar in accordance with the fee schedule attached hereto as Exhibit A, and such fees and expenses shall be paid notwithstanding that the Bonds have been refunded or otherwise refinanced at the time the payment is due.

Section 7. Within one year after the final maturity date of the Bonds, the Bank shall present a final statement and shall return any unclaimed funds to the City. All cancelled Bonds and blank, unused certificates retained by the Bank shall be destroyed in accordance with the customary practices of the Paying Agent and applicable retention laws. In the event that the Bonds are no longer held in book-entry form, the final statement shall include a list of any unpaid Bonds and any outstanding or unclaimed interest checks.

Section 8. The Bank may resign at any time by giving prior written notice of such resignation to the City at its last known address, and thereupon such duties as Paying Agent shall cease not sooner than 30 days following the City's receipt of such notice. The City shall appoint a successor agent and, upon such successor appointment, the Paying Agent shall deliver to the successor agent all its funds, documents, files and records relating to the Bonds. If a successor agent is not appointed within 90 days, the Bank may petition a court of competent jurisdiction to appoint a successor agent. The successor agent shall notify the registered owners of the Bonds of any change in agents as soon as the successor agent is appointed.

Section 9. This Agreement shall terminate upon delivery of the final statement described in Section 7 hereof or upon removal of the Paying Agent as provided in the Ordinance.

Section 10. The terms and conditions of this Agreement may be amended only by written agreement between the City and the Bank adopted in the same manner as this Agreement. The City shall file with the Bank certified copies of all future amendments to the Ordinance or other documents pertaining to the Bonds after the date of this Agreement.

Section 11. Any company or national banking association into which the Bank may be merged or converted or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company or national banking association to which the Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible, shall be successor to such Bank without the execution of filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 12. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies,

facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

Section 13. This Agreement shall be governed by the internal laws of the State of Colorado without regard to its choice of law analysis. Both parties hereto (i) agree that any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted exclusively in the District Court, City and County of Denver, Colorado; (ii) waive any objection to the venue of any such suit, action or proceeding and the right to assert that such forum is not a convenient forum; and (iii) irrevocably consent to the jurisdiction of the District Court, City and County of Denver, Colorado in any such suit, action or proceeding.

Section 14. Any notice or other communication to be given to the City or the Bank under this Agreement may be given by delivering the same in writing, either electronically, by facsimile or by mail, postage prepaid, to the following:

To the Bank:

UMB Bank, n.a.
1670 Broadway
Denver, CO 80202
Attention: Corporate Trust and Escrow Services
Telephone: 303.764.3602
Facsimile: 303.764.3699
Email: kelsey.hurd@umb.com

To the City:

City of Northglenn, Colorado
11701 Community Center Drive
Northglenn, Colorado 80233
Attention: Director of Finance
Telephone: 303.450.8817
Email: jloveland@northglenn.org

Section 15. This Agreement shall be dated as of the date of the Bonds set forth above.

[Remainder of page left intentionally blank]

[SEAL]

CITY OF NORTHGLENN, COLORADO, acting
by and through its Wastewater Enterprise

By _____
Mayor

Attest:

By _____
City Clerk

UMB BANK, N.A., as Paying Agent

By _____
Authorized Officer

[Signature Page to Paying Agent and Registrar Agreement]

EXHIBIT A
to
PAYING AGENT AND REGISTRAR AGREEMENT
(Attach Bank Fee Schedule)

ATTACHMENT 3

\$ _____
**CITY OF NORTHGLENN, COLORADO
ACTING BY AND THROUGH ITS
SEWER ENTERPRISE
WASTEWATER REVENUE BONDS, SERIES 2021

BOND PURCHASE AGREEMENT**

_____, 2021

City of Northglenn
Acting by and through its Sewer Enterprise
11701 Community Center Drive
Northglenn, Colorado 80233

Ladies and Gentlemen:

RBC Capital Markets, LLC (the “Underwriter”), acting on behalf of itself and not as an agent or fiduciary for you, offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the City of Northglenn, Acting by and through its Sewer Enterprise (the “Issuer”), which Purchase Agreement will be binding upon the Issuer and the Underwriter upon the acceptance hereof by the Issuer. This offer is made subject to its acceptance by the Issuer, by the execution of this Purchase Agreement and its delivery to the Underwriter on or before 11:59 p.m., Colorado time, on the date hereof. Capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Bond Resolution (as hereinafter defined).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase for offering to the public, and the Issuer hereby agrees to cause to be delivered to the Underwriter all (but not less than all) of the \$ _____ aggregate principal amount of the City of Northglenn, Acting by and through its Sewer Enterprise Wastewater Revenue Bonds, Series 2021 (the “Bonds”), at the interest rates and subject to the redemption provisions shown on Exhibit A hereto, which is incorporated herein by this reference.

The aggregate purchase price for the Bonds shall be \$ _____ (representing the aggregate principal amount of the Bonds, [plus][less] [net] original issue [premium][discount] of \$ _____, less an underwriting discount of \$ _____).

2. Description and Purpose of the Bonds. The Bonds shall be issued pursuant to a Bond Resolution adopted by the Board of Directors of Issuer (the “Board”) on _____, 2021 (the “Bond Resolution”).

The Bonds are being issued to: (i) finance certain capital improvements to the System (the “System Improvements”) and (ii) pay the costs of issuance of the Bonds.

3. Public Offering.

(a) The Underwriter agrees to make an initial bona fide public offering of all the Bonds at a price of 100% of the principal amount thereof. Subsequent to the initial public offering, the Underwriter reserves the right to change such initial offering price or prices as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering price or prices set forth in the hereinafter referred to Official Statement. The Underwriter also reserves the right (i) to engage in transactions that stabilize, maintain or otherwise affect the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such transactions, if commenced, at any time.

(b) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Director of Finance.

(c) [Except as otherwise set forth in Exhibit A attached hereto,] the Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% test”), identified under the column “10% Test Used” in Exhibit A, is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or Bond Counsel. For purposes of this section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(d) [The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the

Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.]

(e) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided

that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable to the Issuer for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(g) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership

(including direct ownership of the applicable stock or interests by one entity of the other)]; and

(iv) “sale date” means the date of execution of this Purchase Agreement by the Issuer and the Underwriter].

4. Delivery of Official Statement. Pursuant to the authorization of the Issuer, the Underwriter has distributed copies of the Preliminary Official Statement, dated _____, 2021, relating to the Bonds, which, together with the cover page and appendices thereto, is herein called the “Preliminary Official Statement.” By its acceptance of this proposal, the Issuer hereby approves and ratifies the distribution and use by the Underwriter of the Preliminary Official Statement. The Issuer has previously deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for information permitted to be omitted therefrom by Rule 15c2-12, and has executed a certificate to that effect in the form attached as Exhibit C.

The Issuer agrees to execute and deliver a final Official Statement (the “Official Statement”) in substantially the same form as the Preliminary Official Statement with such changes as may be made thereto, with the consent of the Issuer and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 6(n) hereof. The Issuer hereby authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds: the Preliminary Official Statement, the Official Statement, the Bond Resolution and other documents or contracts to which the Issuer is a party in connection with the transactions contemplated by this Purchase Agreement, including this Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by the Issuer to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

5. The Closing. At 8:00 a.m., Mountain time, on _____, 2021 or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Issuer and the Underwriter (the “Closing Date”), the Issuer will cause to be executed and delivered: (i) the Bonds in book-entry form through the facilities of The Depository Trust Company, or its agent, on behalf of the Underwriter, (ii) the closing documents hereinafter mentioned, at the offices of Kutak Rock LLP (“Bond Counsel”), in Denver, Colorado or another place to be mutually agreed upon by the Issuer and the Underwriter. The Underwriter will accept such delivery of the Bonds. This payment for and delivery of the Bonds, together with the execution and delivery of the aforementioned documents is herein called the “Closing.”

6. The Issuer’s Representations, Warranties and Covenants. The Issuer represents, warrants and covenants to the Underwriter that:

(a) Due Organization, Existence and Authority. The Issuer is an “enterprise” within the meaning of Article X, Section 20 of the Colorado Constitution, with full right, power and authority to execute, deliver and perform its obligations under this Purchase Agreement, the Bond Resolution and the Continuing Disclosure Undertaking, dated _____, 2021 executed by the Issuer (the “Continuing Disclosure Undertaking” and, collectively with the Purchase Agreement and the Bond Resolution, the “Issuer Documents”) and to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement.

(b) Due Authorization and Approval. By all necessary official action of the Issuer, the Issuer has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations contained or described in, the Preliminary Official Statement, the Official Statement and the Issuer Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by all signatory parties, each Issuer Document will, to the best of the Issuer's knowledge, constitute the legally valid and binding obligation of the Issuer enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors' rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State of Colorado (the "State").

(c) Official Statement Accurate and Complete. To the best of the Issuer's knowledge, the Preliminary Official Statement was as of its date, and the Official Statement is, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain no misstatement of any material fact and do not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system).

(d) Underwriter's Consent to Amendments and Supplements to Official Statement. The Issuer will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Issuer will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(e) Issuer Agreement to Amend or Supplement Official Statement. If after the date of this Purchase Agreement and until 25 days after the end of the "underwriting period" (as defined in Rule 15c2-12), any event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Underwriter, an amended or supplemented Official Statement should be delivered in connection with the offers or sales of the Bonds to reflect such event, the Issuer promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the Issuer shall promptly furnish to the Underwriter a reasonable number of copies of such amendment or supplement. The Underwriter hereby agrees to deposit the Official Statement with the Municipal Securities Rulemaking Board. The Underwriter acknowledges that the end of the "underwriting period" will be the date of Closing.

(f) No Material Change in Finances. Except as otherwise described in the Official Statement, there shall not have been any material adverse changes in the financial condition of the Issuer or the Enterprise since December 31, 2019.

(g) No Breach or Default. As of the time of acceptance hereof, and all to the best of the Issuer's knowledge: (A) the Issuer is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued by the Issuer, and (B) the Issuer is not, in any manner which would materially adversely affect the transactions contemplated by the Issuer Documents, (i) in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Issuer is a party or is otherwise subject, and, (ii) no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated by the Issuer Documents, a default or event of default under any such instrument; and, (iii) as of such time, the authorization, execution and delivery of the Issuer Documents and compliance with the provisions of each of such agreements or instruments do not in any manner which would materially adversely affect the transactions contemplated by the Issuer Documents, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Issuer (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Issuer Documents.

(h) No Litigation. As of the time of acceptance hereof, to the best knowledge of the Issuer or the City of Northglenn, Colorado (the "City"), no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or threatened (A) in any way questioning the corporate existence of the Issuer or the City or the titles of the officers of the Issuer or the City to their respective offices; (B) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Issuer Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of interest on the Bonds from gross income for federal income tax purposes or contesting the powers of the Issuer to enter into the Issuer Documents; (C) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the Issuer or the Enterprise or to the sufficiency of Net Revenue to pay the principal of and interest on the Bonds when due; or (D) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (A) through (D) of this sentence.

(i) No Prior Liens on Net Revenue. Except as otherwise described in the Official Statement, the Issuer does not and will not have outstanding any indebtedness which

indebtedness is secured by a lien on the Net Revenue superior to or equal to the lien of the Bonds on the Net Revenue.

(j) Further Cooperation: Blue Sky. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (A) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (B) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Issuer shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(k) Consents and Approvals. All authorizations, approvals, licenses, permits, consents and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Issuer of its obligations in connection with the Issuer Documents have been duly obtained or made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(l) No Other Obligations. Between the date of this Purchase Agreement and the date of Closing, the Issuer will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, directly or contingently payable from the Net Revenue.

(m) Certificates. Any certificate signed by any official of the Issuer and delivered to the Underwriter shall be deemed to be a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

(n) Provision of Official Statement. The Issuer hereby covenants and agrees that no later than the date of Closing, the Issuer shall cause final printed copies of the Official Statement to be delivered to the Underwriter in such number of copies as shall reasonably be requested by the Underwriter.

(o) Continuing Disclosure. Except as disclosed in the Preliminary Official Statement, for the previous five years, the Issuer has been and the Issuer is currently in compliance with all continuing disclosure undertakings that it has entered into pursuant to Rule 15c2-12 in all material respects.

7. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations under this Purchase Agreement to purchase and pay for the Bonds shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the Issuer contained herein, shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(i) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the Issuer Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter, (ii) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the Issuer Documents, (iii) the Issuer shall perform or have performed its obligations required or specified in the Issuer Documents to be performed at or prior to Closing, and (iv) the Official Statement shall not have been supplemented or amended, except pursuant to Paragraphs 6(d) and 6(e) hereof or as otherwise may have been agreed to in writing by the Underwriter.

(ii) No Default. At the time of the Closing, no default, or any event that with the passage of time would be reasonably likely to result in default, shall have occurred or be existing under the Resolutions, the Issuer Documents, or any other agreement or document pursuant to which any of the Issuer's financial obligations were issued and the Issuer shall not be in default in the payment of principal or interest on any of its financial obligations which default would materially adversely impact the ability of the Issuer to pay the principal of and interest on the Bonds.

(b) Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Purchase Agreement, without liability therefor, by written notification to the Issuer if, between the date of this Purchase Agreement to and including the Closing, in the Underwriter's sole and reasonable judgment any of the following events shall occur:

(i) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, and to which the Issuer has failed to cure after being given notice and reasonable opportunity to cure such misstatement or omission; or

(ii) the marketability of the Bonds or the market price thereof has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such

Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the Issuer, or the status of the interest on bonds or notes or obligations of the general character of the Bonds; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered, which materially adversely affects the market price of the Bonds; or

(iv) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the execution, delivery, offering or sale of obligations of the general character of the Bonds, or the execution, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Bond Resolution needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Bonds; or

(vi) a general banking moratorium shall have been established by federal or state authorities or any material disruption in commercial banking or securities settlement or clearance services, including, but not limited to, those of DTC, shall have occurred; or

(vii) the market price or marketability of the Securities, or the ability of the Underwriters to enforce contracts for the sale of the Securities, shall be materially adversely affected by any of the following events:

(A) there shall have occurred (i) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (ii) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(B) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(viii) any rating of the securities of the Issuer or the Enterprise reflecting the creditworthiness of the Issuer or the Enterprise shall have been downgraded, suspended, withdrawn or have had any action taken with respect thereto by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) the commencement of any action, suit or proceeding described in Paragraph 6(h) hereof which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds.

(c) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Bonds the following documents:

(i) Bond Opinion. An approving opinion of Bond Counsel dated the date of the Closing and substantially in the form included as Appendix D to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the foregoing opinion addressed to the Issuer may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it;

(ii) Supplemental Opinion. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter, and dated the date of the Closing substantially to the following effect:

(A) The Purchase Agreement has been duly authorized, executed and delivered by the Issuer and is a valid and binding agreement of the Issuer enforceable in accordance with its terms, except that the rights and obligations under the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State; and

(B) The statements contained in the Official Statement on the cover page and under the captions "INTRODUCTION," "THE BONDS," and "TAX MATTERS" and in Appendix D thereto, insofar as such statements purport to summarize certain provisions of the Bonds, the Bond Resolution, State law and Bond Counsel's opinions concerning certain federal and State tax matters relating to the Bonds, are accurate in all material respects as of the date of the Official Statement and as of the date of Closing;

(iii) Opinion of City Attorney. An opinion of the City Attorney, dated the date of the Closing and addressed to the Underwriter, in form and substance acceptable to the Underwriter, relating to: (A) the due organization of the Issuer and the City, (B) the officials of the City named in the Official Statement have been duly elected or appointed to and are as of the date hereof qualified to serve in their respective positions, (C) the due authorization, execution and delivery of the Issuer Documents, (D) the enforceability of the Issuer Documents, against the City, (E) the information respecting the City and the Issuer in certain sections of the Preliminary Official Statement and the Official Statement, (F) the absence of any material litigation involving the City or the Issuer, (G) the adoption of the Bond Resolution; and (H) such other matters as may be reasonably required;

(iv) Underwriter's Counsel Opinion. An opinion of Stradling, Yocca, Carlson & Rauth, a Professional Corporation, counsel to the Underwriter ("Underwriter's Counsel"), dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter;

(v) Issuer Certificate. A certificate of the Issuer, dated the date of the Closing, signed on behalf of the Issuer by the City Manager or other duly authorized officer of the Issuer to the effect that:

(A) The representations, warranties and covenants of the Issuer contained in the Purchase Agreement are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the Issuer has complied with all of the terms and conditions of the Purchase Agreement required to be complied with by the Issuer at or prior to the date of the Closing;

(B) No event affecting the Issuer has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system); and

(C) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the Issuer Documents;

(vi) Disclosure Counsel Opinion. A letter of Kutak Rock LLP, as disclosure counsel to the Issuer ("Disclosure Counsel"), addressed to the Underwriter and the Issuer, to the effect that, based upon the information made available to them in the course of their participation in the preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, and stated as a matter of fact and not opinion that, during the course of its representation of the Issuer on this matter, no

facts came to the attention of the attorneys in its firm rendering legal services in connection with the Preliminary Official Statement and the Official Statement which caused them to believe that the Preliminary Official Statement, as of its date and as of the date hereof, or the Official Statement, as of its date and as of the date of the Closing (except information relating to DTC and its book-entry system, which shall be expressly excluded from the scope of this paragraph and as to which such firm will express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vii) Transcripts. One transcript of all proceedings relating to the authorization and issuance of the Bonds;

(viii) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the Issuer by duly authorized officers of the Issuer;

(ix) Issuer Documents. An original executed copy of each of the Issuer Documents;

(x) 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing;

(xi) Tax Certificate. A tax certificate in form satisfactory to Bond Counsel;

(xii) Rating. evidence that the Bonds have an insured rating of “___” and an underlying rating of “___” by _____;

(xiii) Insurance Policy. Insurance policy of _____ (the “Insurer”);

(xiv) Insurer Documents. Closing certificates and opinions of the Insurer in forms acceptable to Bond Counsel and the Underwriter, and

(xv) Additional Documents. Such additional certificates, instruments and other documents as the Underwriter may reasonably deem necessary.

If the Issuer shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder, except as further set forth in Section 8 hereof.

8. Expenses. The Underwriter shall be under no obligation to pay and the Issuer shall pay or cause to be paid the expenses incident to the performance of the obligations of the Issuer hereunder including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the Issuer Documents and the cost of preparing, printing, issuing, and delivering the Bonds, (b) the fees and disbursements of any counsel, financial advisors, accountants, or other experts or consultants retained by the Issuer; (c) the fees and

disbursements of Bond Counsel, Disclosure Counsel and General Counsel to the Issuer; (d) the cost of printing the Official Statement and any supplements and amendments thereto, including the requisite number of copies thereof for distribution by the Underwriter; (e) charges of rating agencies for any rating with respect to the Bonds; (f) expenses (included in the expense component of the Underwriter's spread) incurred on behalf of the Issuer's officers or employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those officers or employees; (g) CUSIP Service Bureau fees and charges; and (h) fees of any trustee or paying agent.

The Underwriter shall pay and the Issuer shall be under no obligation to pay all expenses incurred by it in connection with the public offering and distribution of the Bonds, including any advertising expenses, and the Underwriter shall pay any costs and expenses incurred in connection with the preparation and distribution of any blue sky surveys or any legal investment memoranda and the costs and fees of Underwriter's Counsel.

9. Notice. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to the City of Northglenn, 11701 Community Center Drive, Northglenn, Colorado 80233, Attention: Director of Finance. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to RBC Capital Markets, LLC, 1801 California Street, Suite 3850 Denver, Colorado 80202, Attention: Michael Persichitte.

10. Entire Agreement. This Purchase Agreement, when accepted by the Issuer shall constitute the entire agreement among the Issuer and the Underwriter with respect to the subject matter hereof and is made solely for the benefit of the Issuer, and the Underwriter (including the successors of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein.

11. No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that: (a) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the Issuer; (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters) and the Underwriter has no obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement; (d) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); and (e) the Issuer has consulted its own legal, financial and other advisors to the extent they deemed appropriate in connection with the offering of the Bonds.

12. Benefit. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors thereof) and no other person, partnership or association, shall acquire or have any right hereunder or by virtue hereof. All representations and agreements by the Issuer in this Purchase Agreement shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigations made by or on behalf of the Underwriter and shall survive the delivery of and payment of the Bonds.

13. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

15. State Law Governs. THE VALIDITY, INTERPRETATION AND PERFORMANCE OF THIS PURCHASE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF COLORADO.

16. No Assignment. The rights and obligations created by this Purchase Agreement shall not be subject to assignment by the Underwriter or the Issuer without the prior written consent of the other parties hereto.

RBC CAPITAL MARKETS, LLC

By: _____
Authorized Officer

Accepted as of _____ p.m.:

CITY OF NORTHGLENN, COLORADO

By: _____
Director of Finance

EXHIBIT A

MATURITY SCHEDULE

\$_____
CITY OF NORTHGLENN, COLORADO
ACTING BY AND THROUGH ITS
SEWER ENTERPRISE
WASTEWATER REVENUE BONDS, SERIES 2021

MATURITY SCHEDULE

<i>Maturity Date (December 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>Hold the Offering Price Rule Used</i>
	\$	%				

[^C Yield to the first optional redemption date of December 1, 20__, at par.]

[^T Term Bond]

Optional Redemption of Bonds. The Bonds maturing on and before December 1, 20__, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on and after December 1, 20__ are subject to redemption prior to maturity, at the option of the City, in whole or in part, and if in part in such order of maturities as the City will determine and by lot within a maturity, on December 1, 20__, and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Bonds maturing on December 1, 20__ are subject to mandatory sinking fund redemption by lot on December 1 of the years and in the principal amounts

specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date:

Redemption Date	Principal Amount
------------------------	-------------------------

20__	
20__ ¹	

¹ Final maturity; not a sinking fund redemption payment.

The Bonds maturing on December 1, 20__ are subject to mandatory sinking fund redemption by lot on December 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date:

Redemption Date	Principal Amount
------------------------	-------------------------

20__	
20__ ¹	

¹ Final maturity; not a sinking fund redemption payment.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding each sinking fund redemption date, the City may (i) deliver to the Paying Agent for cancellation any Bonds with the same maturity date as the Bonds subject to such sinking fund redemption and (ii) receive a credit in respect of its sinking fund redemption obligation for any Bonds with the same maturity date as the Bonds subject to such sinking fund redemption which prior to such date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Paying Agent and not theretofore applied as a credit against any sinking fund redemption obligation. Each Bond so delivered or previously redeemed shall be credited by the Paying Agent at the principal amount thereof to the obligation of the City on such sinking fund redemption date, and the principal amount of Bonds to be redeemed by operation of such sinking fund on such date shall be accordingly reduced.

EXHIBIT B

\$ _____
**CITY OF NORTHGLENN, COLORADO
ACTING BY AND THROUGH ITS
SEWER ENTERPRISE
WASTEWATER REVENUE BONDS, SERIES 2021**

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of RBC Capital Markets, LLC (“RBC”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***[Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) RBC offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated _____, 2021, by and between RBC and the Issuer, RBC has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *[Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2021), or (ii) the date on which RBC has sold at least 10% of such

Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means the City of Northglenn, Colorado, Acting through its Sewer Enterprise.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) [Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2021.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents RBC’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

RBC CAPITAL MARKETS, LLC

By: _____

Name: _____

Dated: _____, 2021

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES [AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES]

(Attached)

**[SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION**

(Attached)

EXHIBIT C

\$ _____ *

**CITY OF NORTHGLENN, COLORADO
ACTING BY AND THROUGH ITS
SEWER ENTERPRISE
WASTEWATER REVENUE BONDS, SERIES 2021**

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to RBC Capital Markets, LLC (the “Underwriter”) that the undersigned is a duly appointed and acting officer of the City of Northglenn, Colorado (the “Issuer”) authorized to execute this Certificate, and further hereby certifies and confirms on behalf of the Issuer to the Underwriter as follows:

(1) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) in connection with the offering and sale of the Issuer’s Water Revenue Bonds, Series 2021 (the “Bonds”).

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated _____, 2021, setting forth information concerning the Bonds, the Issuer and the Enterprise, as issuer of the Bonds (the “Preliminary Official Statement”).

(3) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule and has been, and the information therein is accurate and complete in all material respects except for the Permitted Omissions.

IN WITNESS WHEREOF, I have hereunto set my hand as of the __ day of _____, 2021.

CITY OF NORTHGLENN, COLORADO

By _____
Director of Finance

* Preliminary, subject to change.

WASTEWATER REVENUE BOND ORDINANCE

**CITY OF NORTHGLENN, COLORADO
ACTING BY AND THROUGH ITS
WASTEWATER ENTERPRISE**

Effective December 21, 2020

Authorizing the issuance, sale and delivery of the Wastewater Revenue Bonds, Series 2021, for the purpose of financing additions and improvements to the Wastewater System.

TABLE OF CONTENTS

This Table of Contents is included solely for the convenience of the reader and is not part of this Ordinance.

Page

ARTICLE I DEFINITIONS AND CONSTRUCTION

Section 1.01.	Definitions.....	2
Section 1.02.	Construction.....	9

ARTICLE II THE SERIES 2021 BONDS

Section 2.01.	The Series 2021 Bonds	10
Section 2.02.	Terms of Series 2021 Bonds.....	10
Section 2.03.	Bond Details.....	12
Section 2.04.	Form of Series 2021 Bonds.....	16
Section 2.05.	Special Obligations	16

ARTICLE III SPECIAL ACCOUNTS

Section 3.01.	Income Account	16
Section 3.02.	Operation and Maintenance Expenses	17
Section 3.03.	Debt Service Account	17
Section 3.04.	Debt Service Reserve Account	18
Section 3.05.	Project Account.....	19
Section 3.06.	Termination of Deposits	19
Section 3.07.	Payment of Subordinate Revenue Obligations	20
Section 3.08.	Use of Remaining Revenues	20
Section 3.09.	Budget and Appropriation of Sums	20

ARTICLE IV GENERAL ADMINISTRATION OF FUNDS

Section 4.01.	Places and Times of Deposits	21
Section 4.02.	Investment of Funds.....	21
Section 4.03.	No Liability for Losses Incurred in Performing Terms of Ordinance or Final Terms Certificate	21
Section 4.04.	Character of Funds	22

ARTICLE V PRIORITIES; LIENS; ISSUANCE OF ADDITIONAL OBLIGATIONS

Section 5.01.	Lien on Net Pledged Revenues; Equality of Parity Obligations.....	22
Section 5.02.	Issuance of Additional Parity Obligations	22
Section 5.03.	Effect of Certification of Revenues	24
Section 5.04.	Subordinate Revenue Obligations Permitted	24
Section 5.05.	Superior Obligations Prohibited	24
Section 5.06.	Ordinance; Payment Dates of Obligations.....	24

ARTICLE VI
COVENANTS

Section 6.01.	Rate Maintenance Covenant	24
Section 6.02.	User Charges.....	25
Section 6.03.	No Free Service.....	25
Section 6.04.	Performance of Duties	26
Section 6.05.	Costs of Issuance and of Performance of Obligations.....	26
Section 6.06.	Contractual Obligations	26
Section 6.07.	Further Assurances.....	26
Section 6.08.	Conditions Precedent	26
Section 6.09.	Efficient Operation and Maintenance	26
Section 6.10.	Records and Accounts.....	27
Section 6.11.	Rules, Regulations and Other Details	27
Section 6.12.	Payment of Governmental Charges	27
Section 6.13.	Protection of Security	27
Section 6.14.	Accumulation of Interest Claims	27
Section 6.15.	Prompt Payment of Series 2021 Bonds	28
Section 6.16.	Use of Debt Service Account and Debt Service Reserve Account.....	28
Section 6.17.	Additional Securities.....	28
Section 6.18.	Other Liens.....	28
Section 6.19.	Federal Income Tax Covenants	28
Section 6.20.	Disposition of Property	28
Section 6.21.	Loss from Condemnation.....	29
Section 6.22.	Inspection of Records	29
Section 6.23.	Audits Required	29
Section 6.24.	Insurance and Reconstruction.....	29
Section 6.25.	Services Outside City Limits	30
Section 6.26.	Additional Governmental Agreements	30

ARTICLE VII

DEFEASANCE.....	30
-----------------	----

ARTICLE VIII
DEFAULTS AND REMEDIES

Section 8.01.	Events of Default	31
Section 8.02.	Remedies for Defaults.....	32
Section 8.03.	Rights and Privileges Cumulative.....	32
Section 8.04.	Duties Upon Default	32
Section 8.05.	Evidence of Security Owners.....	33

ARTICLE IX
AMENDMENT OF ORDINANCE

Section 9.01.	Amendments of Ordinance Not Requiring Consent of Owners	34
Section 9.02.	Amendment of Ordinance Requiring Consent of Owners	34
Section 9.03.	Time for and Consent to Amendment.....	35
Section 9.04.	Unanimous Consent	36

Section 9.05.	Exclusion of Series 2021 Bonds	36
Section 9.06.	Notation on Series 2021 Bonds.....	36
Section 9.07.	Proof of Execution of Instruments and Ownership of Series 2021 Bonds	36

ARTICLE X
MISCELLANEOUS

Section 10.01.	Character of Agreement.....	37
Section 10.02.	No Pledge of Property.....	37
Section 10.03.	Statute of Limitations.....	37
Section 10.04.	Delegated Duties.....	37
Section 10.05.	Successors	37
Section 10.06.	Rights and Immunities	37
Section 10.07.	Ratification.....	38
Section 10.08.	Ordinance Irrepealable.....	38
Section 10.09.	Repealer	38
Section 10.10.	Severability	38
Section 10.11.	Publication and Effective Date	38

EXHIBIT A: Form of Series 2021 Bond

SPONSORED BY: MAYOR LEIGHTY

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1961
Series of 2020

Series of 2020

A BILL FOR A SPECIAL ORDINANCE AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF NORTHGLENN, COLORADO, ACTING BY AND THROUGH ITS WASTEWATER ENTERPRISE, OF WASTEWATER REVENUE BONDS, SERIES 2021, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$27,000,000, FOR THE PURPOSE OF FINANCING, IN WHOLE OR IN PART, THE COST OF CONSTRUCTING, EQUIPPING AND INSTALLING CERTAIN CAPITAL IMPROVEMENTS TO THE CITY'S WASTEWATER SYSTEM OPERATED BY THE ENTERPRISE; PLEDGING CERTAIN FUNDS AND REVENUES OF THE ENTERPRISE TO THE PAYMENT OF SUCH BONDS; PRESCRIBING THE FORM OF SUCH BONDS; AUTHORIZING OFFICIALS OF THE CITY TO TAKE ALL ACTION NECESSARY TO CARRY OUT THE TRANSACTIONS CONTEMPLATED HEREBY; AND RELATED MATTERS

WHEREAS, the City of Northglenn, Colorado (the "City") is a home rule municipality duly organized and existing pursuant to Article XX of the Constitution (the "Constitution") of the State of Colorado (the "State") and its home rule charter (the "Charter"); and

WHEREAS, the City Council (the "Council") of the City has previously acted by ordinance to recognize and confirm the existence of the Wastewater Enterprise of the City (the "Enterprise"), such provisions being codified in Chapter 16, Article V of the Municipal Code of the City (the "Code"); and

WHEREAS, the Code authorizes the utilities department of the City, under the direction of the City Manager, to acquire, construct, reconstruct, improve, better and extend water facilities or sewerage facilities, or both, and to prescribe, revise and collect in advance or otherwise from any customer connected therewith or receiving services therefrom rates, fees, tolls and charges, or any combination thereof, for the services furnished by, or the direct or indirect connection with, or the use of, or any commodity from, such water facilities or sewerage facilities, or both, including, without limiting the generality of the foregoing, minimum charges, charges for the availability of service, tap fees, disconnection fees, reconnection fees, and reasonable penalties for any delinquencies; and

WHEREAS, the Code authorizes the issuance of revenue bonds for the purpose of financing additions and improvements to the wastewater facilities (as defined below, the "System") operated by the Enterprise; and

WHEREAS, the System is a government owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined, and the City has heretofore determined and hereby determines that

the System is an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the Council, acting as such and as the governing Board of the Enterprise, deems it necessary and appropriate to authorize the issuance of Wastewater Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) upon the terms described herein, for the purpose of defraying, in whole or in part, the cost of additions and improvements to the System (the “Project”); and

WHEREAS, such Series 2021 Bonds are permitted, under the Charter, the Code, Title 31, Article 35, Part 4, Colorado Revised Statutes (“C.R.S.”) and Article X, Section 20 of the Constitution, to be issued without an election; and

WHEREAS, RBC Capital Markets, LLC (the “Underwriter”) has presented a proposed form of bond purchase agreement (the “Bond Purchase Agreement”) between the City, acting by and through the Enterprise, and the Underwriter, to be entered into at the time of pricing the Series 2021 Bonds, in substantially the form presented at this meeting and filed with the City Clerk prior to this meeting; and

WHEREAS, the Series 2021 Bonds shall have an irrevocable and first lien on the net revenue of the System, but not necessarily an exclusive first lien; and

WHEREAS, the capital improvements to be financed by the Series 2021 Bonds are estimated to have a useful life in the aggregate of at least 40 years;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, ACTING BY AND THROUGH ITS WASTEWATER ENTERPRISE, THAT:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions. Capitalized terms used herein shall have the meanings assigned to them in the recitals of this Ordinance. Additional capitalized terms have the following respective meanings, unless the context clearly requires otherwise:

“*Acquire*” or “*Acquisition*” means the design, construction, reconstruction, purchase, lease, gift, transfer, assignment, option to purchase, grant from the federal government or any public body or other person, endowment, bequest, devise, installation, condemnation, contract, or other acquirement or other provision, or any combination thereof, of facilities, other property, any project or an interest therein.

“*Additional Parity Obligations*” means any Parity Obligations issued after the issuance of the Series 2021 Bonds under this Ordinance.

“*Average Annual Debt Service Requirements*” means with respect to any one or more series of Obligations with respect to which the calculation is being made, the aggregate Debt

Service Requirements thereof divided by the number of whole or fractional years from the date as of which the calculation is made to and including the final maturity thereof.

“*Bonds*” means all securities issued in the form of bonds pursuant to the provisions of this Ordinance which are payable from and secured by a lien upon the Net Pledged Revenues.

“*Business Day*” means a day other than (i) a Saturday or Sunday or (ii) a day on which banks and trust companies in New York, New York or Denver, Colorado are authorized or required to remain closed.

“*Capital Lease*” means a lease which is required or permitted to be capitalized for financial reporting purposes under Generally Accepted Accounting Principles for governmental units or enterprises.

“*Capital Project*” means any additions or Improvements to the System determined by the Council, which additions and Improvements may be more specifically identified by Supplemental Resolution or Final Terms Certificate.

“*Charter*” means the Home Rule Charter of the City.

“*City*” means the City of Northglenn, Colorado, acting as such or, as the context requires, acting by and through and as the owner of the Enterprise.

“*City Manager*” means the City Manager of the City or any successor in function.

“*Code*” means the Municipal Code of the City.

“*Combined Annual Debt Service Requirements*” means the sum of the annual Debt Service Requirements for all series of Obligations for which the computation is being made.

“*Commercial Bank*” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System, and which is located within the United States of America.

“*Consulting Engineer*” means an independent consulting engineer or engineering firm or corporation having skill, knowledge and experience in analyzing the operations of municipal wastewater systems in Colorado, or both, as applicable.

“*Continuing Disclosure Undertaking*” means the Continuing Disclosure Undertaking relating to the Official Statement and the Series 2021 Bonds, in substantially the form attached as an appendix to the Official Statement.

“*Cost*” means, when used in reference to a Capital Project, all or any part of the cost of Acquisition, Improvement and Equipment of all or any part of the Capital Project, including, without limitation, all or any property, rights, easements, privileges, agreements and franchises deemed by the City to be necessary or useful and convenient therefor or in connection therewith, interest or discount on Obligations, costs of issuance of Obligations, engineering and inspection costs and legal expenses, costs of financial, professional, and other estimates and advice,

contingencies, any administrative, operating and other expenses of the City (including without limitation costs of departments or agencies of the City other than the System or the Enterprise reasonably allocable to such Capital Project or to the financing thereof) prior to and during such Acquisition, Improvement and Equipment and also during a period of not exceeding one year after the completion thereof, as may be estimated and determined by the City, and all such other expenses as may be necessary or incident to the financing, Acquisition, Improvement, Equipment and completion of the Capital Project or any part thereof, and the placing of the same in operation, provision of reserves for working capital, operation, maintenance or replacement expenses, or for payment or security of principal of or interest on Obligations during or after such Acquisition, Improvement or Equipment as the City may determine, and also reimbursements to the City or to any Person of any moneys theretofore expended for the purposes of the City or other public body, or to the federal government, of any moneys theretofore expended for or in connection with the Capital Project.

“*Costs of Issuance*” means, with respect to the Series 2021 Bonds, all reasonable costs incurred in the issuance, sale or delivery thereof, including, without limitation, legal, printing, accounting and other fees and expenses.

“*Costs of Issuance Account*” means the account created hereby and required to be maintained by Section 3.05 hereof.

“*Commercial Bank*” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation (or any successors thereto) and of the Federal Reserve System, which has a capital and surplus of \$25,000,000 or more, and which is located within the United States of America.

“*Council*” means the governing body of the City, acting as such or, as the context requires, as the governing body of the Enterprise.

“*Credit Facility*” means any letter or line of credit, policy of bond insurance, surety bond or guarantee or similar instrument issued by a financial, insurance or other institution which specifically provides security with respect to any Obligations.

“*Credit Facility Provider*” means the institution providing a Credit Facility.

“*Debt Service Requirements*” means, with respect to the Series 2021 Bonds or any other Obligations, as the case may be, the principal and interest coming due on such Series 2021 Bonds or Obligations at any given time.

“*Debt Service Reserve Account*” means, to the extent designated by Final Terms Certificate, a special account created and required to be maintained in the manner provided by Section 3.04 hereof.

“*Equip*” or “*Equipment*” means the furnishing of all necessary or desirable, related or appurtenant machinery and other facilities, or any combination thereof, appertaining to any property, project or interest therein.

“*Event of Default*” means any one of the events described in Section 8.01 hereof.

“*Excess Investment Earnings Account*” means the special account established by this Ordinance for the purpose of accounting for arbitrage rebate payments to the federal government.

“*Federal Securities*” means bills, certificates of indebtedness, notes or bonds which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America.

“*Final Terms Certificate*” means a certificate of the Director of Finance of the City, specifying the final terms of the Series 2021 Bonds.

“*Fiscal Year*” means the fiscal year of the City.

“*Generally Accepted Accounting Principles*” means accounting principles, methods and terminology followed and construed for utilities and enterprises of governmental units similar to the Enterprise, established by the Governmental Accounting Standards Board or any successor organization, as amended from time to time.

“*Improve*” or “*Improvement*” means the addition, extension, enlargement, betterment, replacement or improvement or any combination thereof, of facilities, other property, any project, or any interest therein.

“*Income*” means all income from the service charges, plant investment fees, tap fees or any other rates, fees or charges for the services furnished by, or the direct or indirect use of, the System, together with any interest income of the System attributable to the investment of moneys in the accounts created in this Ordinance and not specifically excluded from the lien of this Ordinance, but excluding borrowed moneys, grant moneys or other funds earmarked or designated by the grantor or other source for Improvements, moneys, securities and investment income therefrom in any escrow or similar account pledged to the payment of any refunded bonds or other legally defeased Obligations, unrealized gains or losses on investments, or income, charges or revenues from Special Facilities, or funds drawn under a Credit Facility or Liquidity Facility and not specifically included in income under a Supplemental Resolution or Final Terms Certificate. To the extent provided herein or by Supplemental Resolution or Final Terms Certificate, the Income may include or exclude particular funds, accounts or revenues and may also include, for the purpose of determining compliance with the payment, accumulation and coverage requirements hereof, any other moneys contributed to the System for use in paying Debt Service Requirements or Operation and Maintenance Expenses.

“*Income Account*” means the special account of the City’s existing Wastewater Enterprise Fund that is created and required to be maintained in accordance with Section 3.01 hereof.

“*Independent Accountant*” means any certified public accountant, or any firm of such accountants, duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the City, who (a) is, in fact, independent and not under the domination of the City or the Council; (b) does not have any substantial interest, direct or indirect, in any of the affairs of the City; and (c) is not connected with the City as a member, officer or employee of the Council, but who may be regularly retained to make annual or similar audits of any books or records of the City.

“*Installment Purchase Agreement*” means any financing arrangement in which title to the financed property is retained by the seller or lessor and conveyed to the City in increments or in whole upon payment in part or in whole of the Obligation evidenced thereby.

“*Interest Payment Date*” means a date designated by Final Terms Certificate for the payment of interest on the Series 2021 Bonds.

“*Lease*” means a Capital Lease or an Operating Lease.

“*Maximum Annual Debt Service Requirements*” means, with respect to the Series 2021 Bonds and all Obligations, in the aggregate, for which the computation is being made, the greatest amount of Debt Service Requirements coming due in any single Fiscal Year or other designated period when any such series of Obligations is Outstanding; provided that there shall be excluded from such computation the principal of or interest on any Obligations reasonably expected to be paid from proceeds of other Obligations or any other sources other than the Net Pledged Revenues.

“*Net Pledged Revenues*” means all Income remaining after the deduction of Operation and Maintenance Expenses.

“*Obligations*” means the Series 2021 Bonds and any bond, warrant, note, loan, security, Capital Lease, installment purchase arrangement or similar instrument evidencing the advancement of money or the deferral of payments of money which is payable in whole or in part from proceeds of other Obligations or from the Income or the Net Pledged Revenues, regardless of priority, or issued with respect to Special Facilities and payable from Project revenues. The term Obligation includes repayment, reimbursement or similar obligations to Credit Facility Providers or Liquidity Facility Providers to the extent currently due and payable or as provided by this Ordinance.

“*Official Statement*” means, collectively, the Preliminary Official Statement and the Final Official Statement of the City relating to the Series 2021 Bonds.

“*Operating Lease*” means a Lease which is not, or, under Generally Accepted Accounting Principles, is not permitted to be, capitalized for financial reporting purposes.

“*Operation and Maintenance Expenses*” means, for any particular period, all reasonable and necessary current expenses, paid or accrued, of operating, maintaining and repairing the System, including any payment necessary to maintain any operational reserve requirements, but only if such charges are made in conformity with Generally Accepted Accounting Principles. Operation and Maintenance Expenses include, without limiting the generality of the foregoing, legal and overhead expenses of the various City departments directly related and reasonably allocable to the administration of the System, billing, payments under Operating Leases, insurance premiums, any operational reserve requirements, the reasonable charges of depository banks and paying agents, contractual services, professional services required by this Ordinance or any other applicable requirement, salaries and administrative expenses, labor and the cost of materials and supplies used for current operations, but shall not include any allowance for depreciation, capital replacement or obsolescence charges or reserves, Debt Service Requirements, liabilities incurred by the City or the Enterprise as the result of its negligence, as

determined by a court of law, in the operation of the System or Improvements, extensions, enlargements or betterments.

“*Ordinance*” means this Ordinance, including any amendments hereto.

“*Outstanding*” means, as of any particular date, all Obligations which have been authorized, executed and delivered, except the following:

(a) any Obligation cancelled by the Paying Agent or otherwise on behalf of the City on or before such date;

(b) any Obligation held by or on behalf of the City;

(c) any Obligation for the payment or the redemption of which moneys or Federal Securities sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to pay all of the Debt Service Requirements of such Obligation to the maturity date or specified redemption date thereof shall have theretofore been deposited in escrow or in trust with a Trust Bank for that purpose; and

(d) any lost, destroyed or wrongfully taken Obligation in lieu of or in substitution for which another Obligation shall have been executed and delivered.

“*Owner*” means the holder of any Series 2021 Bond, as identified by the registration books held by the Registrar.

“*Parity Obligations*” means Obligations which are secured by a pledge of the Net Pledged Revenues on a parity basis with the Series 2021 Bonds.

“*Paying Agent*” means UMB Bank, n.a., and its successors and assigns.

“*Paying Agent Agreement*” means the Paying Agent and Registrar Agreement by and between the City and the Paying Agent and Registrar.

“*Permitted Investment*” means any investment which, as of the time made, is permitted by the laws of the State, the ordinances or resolutions of the City pertaining to City investments or the applicable Supplemental Resolution or Final Terms Certificate to be made with City funds.

“*Person*” means any individual, firm, partnership, corporation (public or private), company, association, joint stock association, limited liability company, body politic, public agency or instrumentality or any trustee, receiver, assignee or similar representative thereof.

“*Principal*” means the principal portion of the Debt Service Requirements of the Series 2021 Bonds or any outstanding Obligations, including mandatory sinking fund payments whether or not such mandatory sinking fund payments result in a redemption of such Obligations.

“*Principal Payment Date*” means a date designated by Final Terms Certificate for the payment of interest on the Series 2021 Bonds.

“*Project*” means the capital additions, improvements and repairs to the System financed in whole or in part with proceeds of the Series 2021 Bonds.

“*Project Account*” means the special account created and required to be maintained by Section 3.05 hereof.

“*Registrar*” initially means UMB Bank, n.a., and its successors and assigns.

“*Regular Record Date*” means the fifteenth day of the calendar month next preceding each Interest Payment Date or any other date designated by Final Terms Certificate as the regular record date applicable to the Series 2021 Bonds for purposes of identifying or making payments to the Owner or Owners thereof.

“*Reserve Requirement*” means, to the extent that a Debt Service Reserve Account is required to be maintained in connection with the Series 2021 Bonds as provided by Final Terms Certificate, the amount provided by Final Terms Certificate. The Reserve Requirement may be satisfied, in whole or in part, by the purchase of a surety bond. To the extent the Reserve Requirement is to be funded with Series 2021 Bond proceeds, the amount of the Reserve Requirement (as may be adjusted from time to time, as provided in Section 3.04 hereof) shall equal the least of (a) 10% of the principal amount of the Series 2021 Bonds, (b) the Maximum Annual Debt Service Requirements of the Series 2021 Bonds, or (c) 125% of the Average Annual Debt Service Requirements of the Series 2021 Bonds.

“*Security*” or “*Securities*” means any Obligation issued by the City either directly or acting by and through the Enterprise, issued in a form commonly purchased and sold in established securities markets.

“*Series 2021 Bonds*” means the Wastewater Revenue Bonds, Series 2021, issued by the City, acting by and through the Enterprise.

“*Special Facility*” means any property financed or refinanced for sanitary sewer purposes upon the express condition that it shall be financed or refinanced with Special Facilities Obligations and excluded from the System during the time such Special Facilities Obligations are Outstanding.

“*Special Facilities Obligations*” means Obligations issued to finance or refinance Special Facilities. Special Facilities Obligations may be made payable from Project revenues or other sources but shall not be secured by a lien on the Net Pledged Revenues.

“*Special Record Date*” means the date fixed by the Paying Agent to determine ownership of any Series 2021 Bond for the purpose of paying interest not paid when due or interest accruing after maturity.

“*State*” means the State of Colorado.

“*Subordinate Revenue Obligations*” means Obligations payable from the Net Pledged Revenues having a lien thereon subordinate or junior to the lien thereon of the Series 2021 Bonds.

“*Superior Obligations*” means Obligations payable from the Net Pledged Revenues having a lien thereon superior or senior to the lien thereon of the Series 2021 Bonds.

“*Supplemental Resolution*” means a resolution of the Council approving the final terms of the Series 2021 Bonds or any particular issue of Obligations and their award to the purchaser or underwriters thereof and determining any details reasonably necessary or appropriate in connection therewith in order to effectuate or to clarify the applicable provisions of this Ordinance and to direct the consummation of the transactions contemplated thereby.

“*Supplemental Public Securities Act*” means Part 2 of Article 57, Title 11, C.R.S.

“*System*” means the wastewater facilities presently owned and operated by the City, acting by and through the Enterprise, together with all equipment and Improvements to the System and any other property or facilities specifically added to the System by ordinance of the Council.

“*Tax Code*” means the Internal Revenue Code of 1986, as amended.

“*Transfer Agent*” means UMB Bank, n.a., and its successors and assigns.

“*Trust Bank*” means a Commercial Bank which is authorized to exercise and is exercising trust powers located within or without the State, and also means any branch of the Federal Reserve Bank.

“*Underwriter*” means RBC Capital Markets, LLC, Denver, Colorado, and its successors or assigns.

“*Variable Rate Obligation*” means any Obligation, including, without limitation, an auction rate Obligation, issued with a variable, adjustable, convertible or other similar interest rate which is not fixed for the entire term of such Obligation. The interest rate payable with respect to a Variable Rate Obligation may be determined under a remarketing arrangement, with or without reference to an index, through an auction procedure, or by any other procedure determined by Ordinance; provided that the Ordinance shall in any event establish the maximum rate which may be payable with respect to such Variable Rate Obligation.

Section 1.02. Construction. This Ordinance and the Final Terms Certificate, except where the context by clear implication herein otherwise requires, shall be construed as follows:

- (a) Words in the singular include the plural, and words in the plural include the singular.
- (b) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender refer to any gender.

(c) Articles, sections, paragraphs and clauses mentioned by number, letter or otherwise, correspond to the respective articles, sections, paragraphs and clauses of this Ordinance so numbered or otherwise so designated.

(d) The titles applied to articles, sections and paragraphs of this Ordinance are inserted only as a matter of convenience and ease of reference and in no way define or limit the scope or intent of any provisions of this Ordinance.

(e) Any inconsistency between the provisions of this Ordinance or the Final Terms Certificate and those of any State statute is intentional. To the extent of any such inconsistency, the provisions of this Ordinance or Final Terms Certificate shall be deemed made pursuant to the Charter and shall supersede to the extent permitted by law the conflicting provisions of State statutes.

ARTICLE II

THE SERIES 2021 BONDS

Section 2.01. The Series 2021 Bonds. The issuance of the Series 2021 Bonds is hereby authorized. The Series 2021 Bonds may be issued in the principal amounts and bear interests at the rates provided by Final Terms Certificate. Any Series 2021 Bond may be issued with a Credit Facility and/or Liquidity Facility. There may be obtained, in connection with any Series 2021 Bond, any interest rate swap, cap, collar or similar arrangement limiting or offsetting interest rates or interest rate costs or risks as may be provided by Supplemental Resolution or Final Terms Certificate.

Nothing herein shall prevent the City from issuing general obligation bonds or other obligations secured in whole or in part by the full faith, credit or taxing power of the City, or by a pledge of any source of revenue other than the Income, for the purpose of financing or refinancing improvements to the System. Any such Obligation may also be secured by a pledge of the Net Pledged Revenues, but only to the extent that it is issued in compliance with the provisions of this Ordinance.

Section 2.02. Terms of Series 2021 Bonds. The Series 2021 Bonds are authorized to be sold to the Underwriter at a price not less than 98% of their aggregate principal amount plus accrued interest, if any, to the date of their delivery to the Underwriter, as determined by Final Terms Certificate. The net proceeds received by the City from the sale of the Series 2021 Bonds after deduction of costs of issuance and underwriting discount shall be applied as follows: (a) accrued interest on the Series 2021 Bonds, if any, shall be deposited into the Debt Service Account; (b) Series 2021 Bond proceeds sufficient to meet the Reserve Requirement, if any, shall be deposited to the Debt Service Reserve Account; and (c) the remaining Series 2021 Bond proceeds shall be deposited, to the extent necessary to accomplish the Project, into the Project Account. Any excess funds remaining upon completion of the Project may be used for any lawful purpose of the City or the Enterprise.

(a) **Authorization; Election to Apply Supplemental Public Securities Act; Delegation.** The Series 2021 Bonds, payable as to all Debt Service Requirements solely

out of the Net Pledged Revenues, are hereby authorized to be issued in an aggregate principal amount not to exceed \$27,000,000, the actual amount of the Series 2021 Bonds to be determined by Final Terms Certificate. The City hereby elects to apply all provisions of the Supplemental Public Securities Act, to the extent not inconsistent herewith, to the Series 2021 Bonds. The City hereby delegates to its Director of Finance for a period of one year from the date of adoption of this Ordinance the matters set forth below, subject to the applicable parameters set forth in subsection (b) of this Section 2.02, and any other matters that, in the judgment of the Director of Finance, are necessary or convenient to be set forth in the Final Terms Certificate:

- (i) the Dated Date of the Series 2021 Bonds;
- (ii) the Principal Payment Date;
- (iii) the Interest Payment Date;
- (iv) the aggregate principal amount of the Series 2021 Bonds;
- (v) the price at which the Series 2021 Bonds will be sold pursuant to the Bond Purchase Agreement;
- (vi) the amount of principal of the Series 2021 Bonds maturing in any particular year and the respective interest rates borne by the Series 2021 Bonds;
- (vii) the Series 2021 Bonds which may be redeemed at the option of the City, the dates upon which such optional redemption may occur, and the prices at which such Series 2021 Bonds may be optionally redeemed;
- (viii) the principal amounts, if any, of Series 2021 Bonds subject to mandatory sinking fund redemption and the years in which such Series 2021 Bonds will be subject to such redemption;
- (ix) the existence, amount and terms of any capitalized interest or Debt Service Reserve Account (the Reserve Requirement for any such Debt Service Reserve Account may be satisfied, in whole or in part, with the purchase of a surety bond); and
- (x) whether the Series 2021 Bonds will be secured by an assurance of payment as described in the Supplemental Public Securities Act and the terms of any agreement with the Credit Facility Provider providing the assurance of payment.

(b) **Parameters.** The authority delegated to the Director of Finance by this Section 2.02 shall be subject to the following parameters:

- (i) the aggregate principal amount of the Series 2021 Bonds shall not exceed \$27,000,000;

(ii) the final maturity of the Series 2021 Bonds shall be no later than December 1, 2050;

(iii) the net effective interest rate of the Series 2021 Bonds shall not exceed 4.50%; and

(iv) interest rates on the Series 2021 Bonds shall not exceed 5.00% per annum.

Section 2.03. Bond Details.

(a) **Generally.** The Series 2021 Bonds shall be secured by a first and prior (but not necessarily exclusive) lien upon the Net Pledged Revenues. The Series 2021 Bonds shall be issued by the Council, as the governing Board of the Enterprise, pursuant to the Code and Title 31, Article 35, Part 4, C.R.S, in fully registered form in denominations of \$5,000 or any integral multiple thereof; provided that no Series 2021 Bond shall be issued in any denomination larger than the aggregate principal amount of Series 2021 Bonds maturing on a single maturity date and that no Series 2021 Bond shall be made payable on more than one maturity date.

Pursuant to the recommendations of the Committee on Uniform Security Identification Procedures, CUSIP numbers may be printed on the Series 2021 Bonds.

The Series 2021 Bonds shall be issued in book-entry form through the facilities of The Depository Trust Company, and the appropriate officials of the City shall thereupon be authorized to execute such documents as are necessary to issue and deliver the Series 2021 Bonds in such form.

The Series 2021 Bonds shall mature on December 1 in the years and in the aggregate principal amounts provided by Final Terms Certificate; provided that the Series 2021 Bonds may mature within any period permitted by the Charter and Code but in any event not later than December 1, 2050. The Series 2021 Bonds shall bear interest from the date as of which they are dated or the Interest Payment Date to which interest has been paid next preceding their respective dates, whichever is later, to their respective maturity dates, except if redeemed prior thereto, at fixed rates not exceeding 5.00% per annum, as determined by Final Terms Certificate.

Said interest shall be payable commencing not later than one year following the issuance of the Series 2021 Bonds, and semiannually thereafter at any convenient semiannual interval determined by Final Terms Certificate. If upon presentation at maturity the principal of any Series 2021 Bond is not paid as provided therein, interest shall continue thereon at the same interest rate until the principal thereof is paid in full.

The Debt Service Requirements of the Series 2021 Bonds shall be payable to the Owners of the Series 2021 Bonds in lawful money of the United States of America by the Paying Agent. The final installments of principal and interest shall be payable to the Owner of each Series 2021 Bond upon presentation and surrender thereof at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest

shall be payable to the Owner of each Series 2021 Bond determined as of the close of business on the Regular Record Date irrespective of any transfer of ownership of the Series 2021 Bond subsequent to the Regular Record Date and prior to such Interest Payment Date, by check or draft mailed to such Owner at the address appearing on the registration books of the City maintained by the Registrar. Any interest not paid when due and any interest accruing after maturity shall be payable to the Owner of each Series 2021 Bond entitled to receive such interest determined as of the close of business on the Special Record Date irrespective of any transfer of ownership of the Series 2021 Bond subsequent to the Special Record Date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by certified or registered first-class, postage prepaid mail, at least 10 days prior to the Special Record Date, to the Underwriter and to the Owner of each Series 2021 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing at the address appearing on the registration books of the City. Any premium shall be payable to the Owner of each Series 2021 Bond redeemed upon presentation and surrender thereof upon prior redemption. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice shall be made or given on the next succeeding Business Day.

(b) ***Redemption; Notice of Redemption.*** The Series 2021 Bonds may be made subject to optional redemption prior to their maturity at a price or prices equal to the principal amount of the Series 2021 Bonds so redeemed plus a premium not to exceed 3% of the principal amount thereof, plus accrued interest to the date of redemption, at such times and in such manner as provided by Final Terms Certificate. The Series 2021 Bonds may also be made subject to mandatory redemption from sinking fund installments or otherwise, at such times and in such manner, at prices not exceeding the principal amount of the Series 2021 Bonds so redeemed plus accrued interest to the date of redemption, as provided by Final Terms Certificate.

Series 2021 Bonds which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$5,000. Such Series 2021 Bonds shall be treated as representing a corresponding number of separate Bonds in the denomination of \$5,000 each. Any such Series 2021 Bond to be redeemed in part shall be surrendered for partial redemption in the manner hereinafter provided for transfers of ownership. Upon payment of the redemption price of any such Series 2021 Bond redeemed in part the Owner thereof shall receive a new Series 2021 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.

Notice of redemption shall be given by the Paying Agent in the name of the City by sending a copy thereof by first-class postage prepaid mail, at least 30 days prior to the Redemption Date, to the Underwriter and to the Owner of each of the Series 2021 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice, at the addresses appearing on the registration books of the City maintained by the Registrar. Such notice shall specify the number or numbers of the

Series 2021 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption and shall further state that on the Redemption Date there will be due and payable upon each Series 2021 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the Redemption Date plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2021 Bonds are in book-entry form through The Depository Trust Company or its nominee, any redemption notice may be given by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2021 Bonds are in book-entry form, the Paying Agent is hereby authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of Series 2021 Bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so mailed with respect to any Series 2021 Bond shall not affect the validity of the redemption proceedings with respect to any other Series 2021 Bond. Any Series 2021 Bonds redeemed prior to their respective maturity dates by call for prior redemption or otherwise shall not be reissued and shall be cancelled the same as Series 2021 Bonds paid at or after maturity.

(c) ***Interest Rates.*** Interest on the Series 2021 Bonds shall accrue at fixed rates provided by Final Terms Certificate.

(d) ***Execution and Authentication.*** The Series 2021 Bonds shall be executed by and on behalf of the Council as the governing body of the Enterprise, with the manual or facsimile signature of the Mayor, shall bear a manual or facsimile of the seal of the City, shall be attested with the manual or facsimile signature of the City Clerk, and shall be authenticated with the manual signature of a duly authorized signatory of the Registrar. Should any officer whose signature appears on the Series 2021 Bonds cease to be such officer before delivery of the Series 2021 Bonds to the Underwriter, such signature shall nevertheless be valid and sufficient for all purposes. No Series 2021 Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until the certificate of authentication on such Series 2021 Bond shall have been duly executed by the Registrar, and such executed certificate upon any such Series 2021 Bond shall be conclusive evidence that such Series 2021 Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Series 2021 Bond shall be deemed to have been duly executed by the Registrar if signed by an authorized signatory thereof, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Series 2021 Bonds.

(e) ***Registration, Transfer and Exchange.*** Upon their execution and authentication and prior to their delivery, the Series 2021 Bonds shall be registered for the purpose of payment of principal and interest by the Registrar. Thereafter, the Series 2021 Bonds shall be transferable only upon the registration books of the City maintained by the Registrar at the request of the Owner thereof or such Owner's duly authorized attorney-in-fact or legal representative. The Transfer Agent shall accept a Series 2021 Bond for registration or transfer only if the Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership, or a trust. A Series 2021 Bond may be transferred upon surrender thereof together with a written

instrument of transfer duly executed by the Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The Transfer Agent shall not be required to transfer ownership of any Series 2021 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2021 Bond selected for redemption on or after the date of such mailing. The Owner of any Series 2021 Bond or Bonds may also exchange such Series 2021 Bond or Bonds for another Series 2021 Bond or Bonds of authorized denominations. Transfers and exchanges shall be made at the expense of the transferor or exchanger, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2021 Bonds. No transfer of any Series 2021 Bond shall be effective until entered on the registration books of the City maintained by the Registrar. In the case of every transfer or exchange, the Registrar shall authenticate and the Transfer Agent shall deliver to the new owner a new Series 2021 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2021 Bond or Bonds surrendered. Such Series 2021 Bond or Bonds shall be dated as of their date of authentication. New Series 2021 Bonds delivered upon any transfer or exchange shall be valid obligations, evidencing the same obligations as the Series 2021 Bonds surrendered, shall be secured by this Ordinance and shall be entitled to all of the security and benefit hereof to the same extent as the Series 2021 Bonds surrendered. The City may deem and treat the person in whose name any Series 2021 Bond is last registered upon the books of the City as the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Series 2021 Bond and for all other purposes, and all such payments so made to such person or upon his order shall be valid and effective to satisfy and discharge the liability of the City upon such Series 2021 Bond to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

(f) ***Resignation of Agents.*** If the Paying Agent, Registrar or Transfer Agent shall resign, or if the City shall reasonably determine that the Paying Agent, Registrar or Transfer Agent has become incapable of fulfilling its duties hereunder, the City may, upon notice mailed to each Owner of Series 2021 Bonds at the addresses last shown on the registration books of the City, appoint a successor paying agent, registrar or transfer agent. Every such successor paying agent, registrar or transfer agent shall be a Commercial Bank or an official of the City. It shall not be required that the same person serve as paying agent, registrar and transfer agent hereunder, but the City shall have the right to appoint and have the same person serve as paying agent, registrar and transfer agent hereunder.

(g) ***Replacement of Series 2021 Bonds.*** If any Series 2021 Bond shall have been lost, destroyed or wrongfully taken, the City shall provide for the replacement thereof upon receipt of the evidence of such loss, destruction or wrongful taking, along with an indemnity bond and reimbursement for expenses reasonably satisfactory to it.

(h) **Recitals in Bonds.** Each Series 2021 Bond shall recite in substance that such Series 2021 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, that such Series 2021 Bond does not constitute a debt or an indebtedness or multiple fiscal-year debt or other financial obligation of the City within the meaning of any constitutional, Charter or statutory provision or limitation; that such Series 2021 Bond is not payable in whole or in part from the proceeds of general property taxes, and that the full faith and credit of the City is not pledged for the payment of the principal of or interest on such Series 2021 Bond. Each Series 2021 Bond shall further recite that it is issued under the authority of the Colorado Constitution, the Charter, the Code, Title 31, Article 35, Part 4, C.R.S, the Supplemental Securities Act and this Ordinance

Section 2.04. Form of Series 2021 Bonds. The Series 2021 Bonds shall be in substantially the form set forth in Exhibit A attached hereto, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the City executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the Series 2021 Bonds are hereby approved and adopted as the covenants, statements, representations and agreements of the City.

Section 2.05. Special Obligations. All of the Series 2021 Bonds, as to all Debt Service Requirements thereof, shall be payable solely out of the Net Pledged Revenues. The Owners of the Series 2021 Bonds may not look to the general fund or any other fund of the City for the payment of the Debt Service Requirements, except the special funds and accounts pledged therefor. The Series 2021 Bonds shall not constitute a debt or indebtedness or multiple-fiscal year debt or other financial obligation of the City within the meaning of any constitutional, Charter or statutory provision or limitation, and the Series 2021 Bonds shall not be considered or held to be general obligations of the City, but shall constitute special and limited obligations of the City, acting by and through the Enterprise. The Series 2021 Bonds are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for payment of the Series 2021 Bonds.

ARTICLE III

SPECIAL ACCOUNTS

There shall be established and maintained pursuant to this Ordinance, for the benefit of all owners of the Series 2021 Bonds, the following special accounts, together with such other accounts as may be designated by Supplemental Resolution.

Section 3.01. Income Account. Except as otherwise provided herein, the entire Income, upon receipt thereof from time to time by the City, shall be set aside and credited immediately to a special account of the City's existing Wastewater Enterprise Fund hereby created and referred to herein as the Income Account. The Income Account may be maintained as a subfund, account or subaccount of the City's existing Wastewater Enterprise Fund. In addition, the City may at its option credit to the Income Account any other moneys of the City legally available for expenditure for the purposes of the Income Account as provided herein. The Income Account

shall be administered and the moneys on deposit therein shall be deposited and applied in the following order of priority:

FIRST, to the payment of Operation and Maintenance Expenses in the manner set forth in Section 3.02 hereof;

SECOND, to the Debt Service Account to pay the Debt Service Requirements of any Series 2021 Bonds or Parity Obligations then Outstanding in the manner set forth in Section 3.03 hereof;

THIRD, to the payment of the Debt Service Requirements of Subordinate Revenue Obligations, if any, in accordance with Section 3.07 hereof; and

FOURTH, to be used in accordance with Section 3.08 hereof.

Moneys in any or all of the foregoing accounts may, to the extent provided by Supplemental Resolution, be made subject to transfer to an Excess Investment Earnings Account. In order to give effect to the requirements of both the Code and this Ordinance, the City may, to the extent necessary, advance, subject to reimbursement, moneys required for the payment of Operation and Maintenance Expenses from funds earmarked for Improvements or Capital Projects, and may also, to the extent necessary, advance, subject to reimbursement, Net Pledged Revenues required for the payment of the Debt Service Requirements of Series 2021 Bonds from funds earmarked for Operation and Maintenance Expenses, including the Operation and Maintenance Account. Nothing herein shall be construed to prevent the City from creating subfunds or subaccounts for the purpose of recording the payments and accumulations made hereunder in a manner consistent with the accounting principles which may be employed by the City from time to time. Nothing herein shall be construed to prevent the establishment in connection with any class or aeries of Obligations of a rate stabilization fund or account or similar accounting entity.

Section 3.02. Operation and Maintenance Expenses. As a first charge on the Income Account, there shall be promptly paid the Operation and Maintenance Expenses of the System as they become due and payable.

Section 3.03. Debt Service Account. There is hereby established, for the benefit of all Owners of the Series 2021 Bonds and any Parity Obligations, a special account to be known as the Debt Service Account. Subject to the payments, if any, required by Section 3.04 hereof, for so long as any Series 2021 Bonds and any Parity Obligations are Outstanding, the City shall deposit in the Debt Service Account from the Net Pledged Revenues on or before the last day of each month beginning with the month of issuance of the Series 2021 Bonds and any Parity Obligations, the amount of interest accruing on such Series 2021 Bonds and Parity Obligations during said month (with a credit for the amount of any accrued or capitalized interest deposited in the Debt Service Account and not theretofore credited) and a ratable portion of the next installment of principal coming due on such Series 2021 Bonds and Parity Obligations within the succeeding 12 calendar months, together with funds sufficient to make up any deficiency in such payments in any past month, provided that no such monthly installments shall be required if the full amount of the next installment of principal and/or interest on the Series 2021 Bonds has been

accumulated in the Debt Service Account. Such interest and principal shall be promptly paid when due.

The moneys credited to the Debt Service Account, excluding any investment earnings which may be required to be rebated to the federal government, shall be used to pay the Debt Service Requirements of all Series 2021 Bonds and Parity Obligations then Outstanding, as such Debt Service Requirements become due, except as otherwise provided in this Ordinance. The Debt Service Account shall also be maintained as a sinking fund for the mandatory redemption of any Series 2021 Bonds and Parity Obligations which are subject to mandatory sinking fund redemption.

Nothing herein shall be construed to prevent the City from creating separate principal and interest subaccounts within the Debt Service Account for separate series of Parity Obligations and accounting separately for any deposits made thereto on account of separate series of Parity Obligations, if such action is deemed by the City to be necessary or desirable in order to comply with any statute or regulation governing the excludability from gross income for federal income tax purposes of interest on such Parity Obligations or for any other reason; provided that any such separate subaccounts shall have claims to the Net Pledged Revenues equal to and on a parity with those of the other such subaccounts.

Section 3.04. Debt Service Reserve Account. In connection with the Series 2021 Bonds, the City may provide by Final Terms Certificate for the establishment of a Debt Service Reserve Account, in such amount, if any, and on such specific terms as determined by such Final Terms Certificate.

If a Debt Service Reserve Account has been established and the City shall at any time or for any reason fail to pay into the Debt Service Account the full amount stipulated by Supplemental Resolution or Final Terms Certificate, then an amount shall at such time be paid into the Debt Service Account equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated. The money so used shall be replaced to the Debt Service Reserve Account from the first moneys credited to the Income Account thereafter received and not required to be otherwise applied by Sections 3.02 and 3.03 hereof. If Obligations are Outstanding and the Ordinance authorizing the issuance of those Obligations require the replacement of moneys in separate Debt Service Reserve Accounts therefor, then the moneys replaced in the Debt Service Reserve Accounts shall be replaced on a pro rata basis based upon the relative principal amounts of the then Outstanding series of Obligations, as moneys become available therefor. If at any time the City shall for any reason fail to pay into the Debt Service Reserve Account, if any, the full amount stipulated in the applicable Ordinance from the Net Pledged Revenues, the difference between the amount paid and the amount so stipulated shall in like manner be paid therein from the first moneys credited to the Income Account thereafter received and not required to be applied otherwise by Sections 3.02 and 3.03 hereof.

The Reserve Requirement provided by Final Terms Certificate may, from time to time, be reduced as the outstanding principal on the Series 2021 Bonds is reduced. To the extent that the Reserve Requirement is funded with Series 2021 Bond proceeds, the Reserve Requirement, as so adjusted, shall equal the least of (a) 10% of the principal amount of the Series 2021 Bonds,

(b) the Maximum Annual Debt Service Requirements of the Series 2021 Bonds, or (c) 125% of the Average Annual Debt Service Requirements of the Series 2021 Bonds.

Nothing in this Ordinance shall be construed as limiting the right of the City to substitute, as to all or a portion of any Debt Service Reserve Account, for the cash deposit required to be maintained in such Debt Service Reserve Account, an instrument such as a letter of credit, surety bond, insurance policy, agreement guaranteeing payment, or other undertaking of a Credit Facility Provider to ensure that cash in the amount otherwise required to be maintained hereunder will be available to the City as needed; provided that any such substitution shall not cause the then current rating or ratings of the Outstanding Obligations to be adversely affected. In connection with any such instrument, the City may enter into an Obligation with the Credit Facility Provider to reimburse the Credit Facility Provider for any amounts drawn thereunder, with interest at a rate not exceeding the then-prevailing rate charged by the Credit Facility Provider for comparable obligations. Nothing herein shall be construed as limiting the right of the City to substitute cash for any such instrument.

Section 3.05. Project Account. The Project Account shall be held and administered by the City. All moneys credited to the Project Account shall be applied solely to the payment of costs properly attributable to the Project in accordance with and as determined by the provisions hereof. Amounts, if any, remaining in the Project Account after payment of all costs attributable to the Project shall be credited to the Debt Service Account. Moneys credited to the Project Account may be invested or deposited in Permitted Investments, subject to the covenants and provisions of this Ordinance. Except to the extent otherwise required by this Ordinance, interest income from the investment or reinvestment of moneys credited to the Project Account shall be retained therein.

There is hereby created the Costs of Issuance Account, to be held and administered by the Paying Agent in accordance with the terms of the Paying Agent Agreement. All moneys credited to the Costs of Issuance Account shall be applied solely to the payment of Costs of Issuance. Amounts, if any, remaining in the Costs of Issuance Account after payment of all Costs of Issuance shall be returned to the City and credited to the Debt Service Account.

Section 3.06. Termination of Deposits. No payment need be made into the Debt Service Account or the Debt Service Reserve Account with respect to any series of Obligations if the amounts in the Debt Service Account and the amount in the Debt Service Reserve Account with respect to such series of Obligations total a sum at least equal to the entire amount of the Outstanding Obligations of such Series, as to all Debt Service Requirements, to their respective maturities or to any Redemption Date or Redemption Dates as of which the City shall have exercised or shall have obligated itself to exercise its option to redeem, prior to their respective maturity dates, any Obligations of such Series then outstanding and thereafter maturing. Solely for the purpose of this Section 3.06, there shall be deemed to be a credit to the Debt Service Reserve Account of moneys, Federal Securities and bank deposits, or any combination thereof, accounted for in any other fund or account of the City, or held in escrow or in trust as provided in Article VII hereof, and restricted solely for the purpose of paying the Debt Service Requirements of such series of Obligations. In any such case, moneys in the Debt Service Account and the Debt Service Reserve Account established for such Series or in any other fund or account pledged or restricted to payment of such Series in an amount, except for any known

interest or other gain to accrue from any investment or deposit of moneys pursuant to Section 4.02 hereof from the time of any such investment or deposit to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Debt Service Requirements, shall be used together with any such gain from such investments and deposits first to pay such Debt Service Requirements as the same become due. Any moneys in excess thereof in the Debt Service Account and the Debt Service Reserve Account or in any other fund or account pledged or restricted to payment of such Series and any other moneys derived from the Income or otherwise pertaining to the System may be used in any lawful manner determined by the City.

Section 3.07. Payment of Subordinate Revenue Obligations. After there has been deposited or provided for an amount sufficient to make the payments and accumulations required by Sections 3.03 and 3.04 hereof, any moneys remaining in the Income Account for such month may be used by the City for the payment of Debt Service Requirements of Subordinate Revenue Obligations payable from the Net Pledged Revenues and authorized to be issued in accordance with this Ordinance, including reasonable requirements for payments to reserves for such Subordinate Revenue Obligations; but the lien of such Subordinate Revenue Obligations upon the Net Pledged Revenues and the pledge thereof for the payment of such Subordinate Revenue Obligations shall be subordinate and junior to the lien and pledge securing the Series 2021 Bonds and any Parity Obligations.

Section 3.08. Use of Remaining Revenues. Monthly, after the payments required to be made by Sections 3.01 through 3.06 hereof during said month have been made or provided for, or whenever in any month there shall have been credited all amounts required to be deposited in all of the special accounts established in connection with all series of Obligations during said month, as herein provided, any remaining moneys credited to the Income Account shall be free of the lien of this Ordinance and available to the City, and may be used for the Acquisition of Improvements or other properties or facilities for the System or for any one or any combination of other lawful purposes of the City or the Enterprise as the City may from time to time determine.

Section 3.09. Budget and Appropriation of Sums. Except insofar as the decision to appropriate funds is reserved to the Council with respect to any particular Obligation or series of Obligations, the sums provided to make the payments specified in this Article III are hereby appropriated for said purposes, and said amounts for each year shall be included in the annual budget and the appropriation ordinance or measures to be adopted or passed by the Council in each year respectively while any of the Obligations, either as to principal or interest, are Outstanding and unpaid. No provisions of any constitution, charter, statute, ordinance, resolution, order or other measure enacted after the issuance of any Obligations shall in any manner be construed as limiting or impairing the obligation of the City to keep and perform the covenants contained in this Ordinance so long as any of the Obligations remain Outstanding and unpaid. Nothing herein shall prohibit the Council from appropriating other funds of the City legally available for such purpose to the Income Account for the purposes thereof, in which case such amounts shall be deemed to be Income.

ARTICLE IV

GENERAL ADMINISTRATION OF FUNDS

Section 4.01. Places and Times of Deposits. Each of the special accounts created or referred to in Article III hereof shall be maintained as a book account of the City (which may be commingled for deposit or investment with other City moneys so long as it is separately identified and accounted for) and all moneys accounted for in such special accounts shall at all times be either deposited in a Commercial Bank or invested in Permitted Investments. For purposes of such deposits or investments of moneys, nothing herein prevents the commingling of moneys accounted for in any two or more City funds or accounts pertaining to the Income. Such funds or accounts shall be continuously secured to the fullest extent required by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes of such funds or accounts. Each periodic payment shall be credited to the proper fund or account not later than the date therefor herein designated, except that when any such date shall be a day which is not a Business Day then such payment shall be made on or before the next Business Day.

Section 4.02. Investment of Funds. Any moneys in any fund or account described in Article III hereof or created by Ordinance may be invested, reinvested or deposited only in Permitted Investments. Securities or obligations purchased as such investments shall either be subject to redemption at any time at face value by the owner thereof at the option of such owner or shall mature at such time or times as shall most nearly coincide with the expected need for moneys from the fund or account in question. Securities or obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of the applicable fund or account; provided that (with the exception of a Debt Service Reserve Account and an Excess Investment Earnings Account, if any) the interest accruing on such investments and any profit realized therefrom shall be credited to the Income Account, and any loss resulting from such investments shall be charged to the particular fund or account in question. Interest and profit realized from investments in a Debt Service Reserve Account, Excess Investment Earnings Account, or the Project Account shall be credited to such Debt Service Reserve Account, Excess Investment Earnings Account or Project Account, respectively; provided that, so long as the amount in a Debt Service Reserve Account equals at least the minimum amount specified by Ordinance or Final Terms Certificate, such interest and profit may be transferred from the Debt Service Reserve Account to the Debt Service Account and distributed in the same manner as other moneys in the Debt Service Account, and any loss resulting from such investments in the Debt Service Reserve Account shall be charged to the Debt Service Reserve Account. The City shall present for redemption or sale on the prevailing market any securities or obligations so purchased as an investment of moneys in a given fund or account whenever it shall be necessary to do so in order to provide moneys to meet any required payment or transfer from such fund or account. The City shall not invest any moneys accounted for hereunder if any such investment would contravene the covenants concerning arbitrage or other federal income tax matters in an applicable Ordinance or Final Terms Certificate.

Section 4.03. No Liability for Losses Incurred in Performing Terms of Ordinance or Final Terms Certificate. Neither the City nor any officer of the City shall be liable or

responsible for any loss resulting from any investment or reinvestment made in accordance with this Ordinance or the Final Terms Certificate.

Section 4.04. Character of Funds. The moneys in any fund or account herein described shall consist of lawful money of the United States of America or Permitted Investments or both such money and such investments. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of a Commercial Bank pursuant to Section 4.01 hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States of America.

ARTICLE V

PRIORITIES; LIENS; ISSUANCE OF ADDITIONAL OBLIGATIONS

Section 5.01. Lien on Net Pledged Revenues; Equality of Parity Obligations. The Net Pledged Revenues shall be and hereby are irrevocably pledged and set aside to pay the Debt Service Requirements of the Series 2021 Bonds and any Parity Obligations issued and outstanding hereunder. All Outstanding Series 2021 Bonds and Parity Obligations shall collectively constitute an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Pledged Revenues, having priority over any and all other obligations of the City with respect to the Net Pledged Revenues. Revenues pledged hereby, as received by or otherwise credited to the City, shall immediately be subject to the lien of such pledge without any physical delivery, filing or further act. Pursuant to Section 11-57-208 of the Supplemental Public Securities Act and any successor statute or provision of law, the lien of this pledge shall be valid, binding and enforceable against all persons having claims of any kind in tort, contract or otherwise against the City or the Enterprise irrespective of whether such persons have notice of such lien.

Additional Parity Obligations hereafter authorized to be issued and from time to time Outstanding shall be equitably and ratably secured by a first and prior lien on the Net Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Net Pledged Revenues regardless of the time or times of the issuance thereof, it being the intention of the Council that there shall be no priority among Parity Obligations, regardless of the fact that they may be actually issued, delivered or made payable at different times.

Section 5.02. Issuance of Additional Parity Obligations. Nothing herein, except the limitations stated in Section 5.06 hereof, prevents the issuance by the City of Additional Parity Obligations payable from the Net Pledged Revenues and constituting a lien on the Net Pledged Revenues on a parity with, but not prior or superior to, the lien thereon of the Outstanding Series 2021 Bonds and Parity Obligations; but before any such Additional Parity Obligations are authorized or actually issued the City shall satisfy the following conditions:

(a) ***Absence of Default.*** At the time of the adoption of the Ordinance authorizing the issuance of the Additional Parity Obligations as provided in Section 5.06 hereof, the City shall not be in default in making any payments required by Article III hereof.

(b) ***Historic Net Pledged Revenues Tests.***

(i) Except as hereinafter provided in the case of Additional Parity Obligations issued for the purpose of refunding less than all of the Parity Obligations then Outstanding, the Net Pledged Revenues for the last complete Fiscal Year or any consecutive 12 whole months of the last 18 whole months prior to the issuance of the proposed Additional Parity Obligations, as certified by the City Manager or a Consulting Engineer or Independent Accountant, must have been equal to at least 110% of the Maximum Annual Debt Service Requirements of the Parity Obligations then Outstanding and the Additional Parity Obligations proposed to be issued, in the aggregate.

(ii) If any adjustment in rates, fees or charges adopted by the City is to be effective during or prior to any Fiscal Year in which the Maximum Annual Debt Service Requirements occur, the City Manager, Consulting Engineer or Independent Accountant shall adjust the calculation of the Net Pledged Revenues to reflect the amount thereof that would have been received if such adjustment had been in effect throughout such Fiscal Year.

(iii) For purposes of this Section 5.02(b), when computing the Debt Service Requirements for any Variable Rate Obligations, it shall be assumed that any series of Variable Rate Obligations Outstanding at the time of the computation will have Debt Service Requirements during any period, if the actual interest rate for such period shall not have been determined, equal to the Debt Service Requirements obtained by applying the highest interest rate borne by such series of Variable Rate Obligations during the two years immediately preceding the date of the computation. If such series of Variable Rate Obligations has not been outstanding for two years immediately preceding the date of the computation, then it shall be assumed that such series of Variable Rate Obligations will have Debt Service Requirements during any period, if the actual interest rate for such period shall not have been determined, equal to the Debt Service Requirements obtained by applying a fixed interest rate equal to 120% of the highest rate applicable within the two years immediately preceding the date of the computation under an index generally accepted in the securities industry for securities having comparable ratings and maturity or tender dates. It shall further be assumed that any Variable Rate Obligations which are Tender Obligations will mature on their stated maturity or mandatory redemption dates. In applying this paragraph (iii), the references to the "highest interest rate" shall mean the highest interest rate applicable for any consecutive five (5)-week period in such two (2)-year period. If no single rate was applicable for five (5) consecutive weeks, then the "highest interest rate" shall refer to the highest average rate applicable to any five (5) consecutive weeks in such two (2)-year period.

(iv) In the case of Additional Parity Obligations issued for the purpose of refunding less than all of the Parity Obligations then Outstanding, compliance with this Section 5.02(b) shall not be required so long as the aggregate Debt Service Requirements payable as to all Parity Obligations Outstanding after the

issuance of such Additional Parity Obligations do not exceed the aggregate Debt Service Requirements payable on all Parity Obligations Outstanding prior to the issuance of such Additional Parity Obligations.

Section 5.03. Effect of Certification of Revenues. Where certifications of revenues are required by this Ordinance, the specified and required written certifications of the City Manager, Consulting Engineer or Independent Accountant to the effect that revenues are sufficient to pay the required amounts shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver Additional Parity Obligations.

Section 5.04. Subordinate Revenue Obligations Permitted. Nothing herein, except the limitations stated in Section 5.06 hereof or in a Supplemental Resolution or Final Terms Certificate, prevents the City from issuing Subordinate Revenue Obligations for any lawful purpose.

Section 5.05. Superior Obligations Prohibited. Nothing herein permits the City to issue Superior Obligations.

Section 5.06. Ordinance; Payment Dates of Obligations. Additional Parity Obligations or Subordinate Revenue Obligations shall be issued only after authorization thereof by ordinance in substantially the same manner as provided in Article II hereof. All Additional Parity Obligations shall bear such date, and shall be subject to redemption prior to maturity on such terms and conditions as may be provided, and shall bear interest at such rate or rates as may be determined by Ordinance, Supplemental Resolution or Final Terms Certificate. Nothing herein shall be construed to prohibit the issuance of Additional Parity Obligations and Subordinate Revenue Obligations payable from the Net Pledged Revenues, the principal of which is payable more frequently than annually or the interest on which is payable more frequently than semiannually.

ARTICLE VI

COVENANTS

The City hereby particularly covenants and agrees with the Owners of the Series 2021 Bonds Outstanding from time to time, and makes the following covenants and provisions which shall be a part of its contract with such Owners, and shall be kept by the City continuously until all Series 2021 Bonds issued hereunder have been fully paid and discharged.

Section 6.01. Rate Maintenance Covenant. The City shall prescribe, revise and collect fair and reasonable rates, fees and charges for use of the System which shall produce Income sufficient, together with any other moneys legally available therefor and credited to the Income Account, to make the payments and accumulations required by this Ordinance and any Supplemental Resolution or Final Terms Certificate; and which shall produce Net Pledged Revenues in each ensuing Fiscal Year at least equal to the sum of 110% of the Combined Annual Debt Service Requirements of all Outstanding Parity Obligations and 105% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Revenue Obligations, plus

any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Net Pledged Revenues or any securities payable therefrom.

The Council will increase rates, fees and charges in such manner and to such extent as to reasonably ensure the payments and accumulations required by the provisions of this Ordinance.

For purposes of determining compliance with this Section 6.01, it shall be assumed that any series of Variable Rate Obligations Outstanding at the time of the computation will have Debt Service Requirements during any period, if the actual interest rate for such period shall not have been determined, equal to the Debt Service Requirements obtained by applying the highest interest rate borne by such series of Variable Rate Obligations during the two years immediately preceding the date of the computation. If such series of Variable Rate Obligations has not been Outstanding for two years immediately preceding the date of the computation, then it shall be assumed that such series of Variable Rate Obligations will have Debt Service Requirements during any period, if the actual interest rate for such period shall not have been determined, equal to the Debt Service Requirements obtained by applying a fixed interest rate equal to 120% of the highest rate applicable within the two years immediately preceding the date of the computation under an index generally accepted in the securities industry for securities having comparable ratings and maturity or tender dates. It shall further be assumed that any such Variable Rate Obligations which are tender Obligations will mature on their stated maturity or mandatory redemption dates. In applying the foregoing covenant with respect to rate maintenance, the references to the "highest interest rate" in Section 6.01 shall mean the highest rate applicable for any consecutive five (5)-week period in such two (2)-year period. If no single rate was applicable for five (5) consecutive weeks, then the "highest interest rate" shall refer to the highest average rate applicable to any five (5) consecutive weeks in such two (2)-year period.

Section 6.02. User Charges. The City will establish and maintain a system of user charges to assure that each customer's equitable share of the Costs of Operation and Maintenance, Debt Service Requirements, Improvements and replacements of the System shall be paid.

Nothing herein shall limit the ability of the City to adopt a separate rate schedule for out-of-City customers. The City shall cause all rates, fees and charges to be billed promptly and collected as soon as reasonable, and shall prescribe and enforce rules and regulations or impose contractual obligations for the payment thereof, to the end that the Net Pledged Revenues shall be adequate to meet the requirements of this Ordinance and any other ordinance or instrument supplemental thereto. The rates, fees and charges shall be collected in any lawful manner.

Section 6.03. No Free Service. The City will not furnish or supply, or cause to be furnished or supplied, any use, output, capacity or service of the System free of charge to any Person.

Notwithstanding any provision contained in Section 6.02 hereof or in this Section 6.03, the Council shall have the right to waive all or a portion of any System tap fees when due or as deferred, with or without interest, in the case of an existing or prospective municipal, commercial or industrial customer of the System where the Council determines that the cost of such waiver is or will be offset by the value of anticipated economic benefits to the System. No

customer or prospective customer of the System shall ever be entitled to a waiver of fees as a matter of right.

Section 6.04. Performance of Duties. The City, acting by and through its officers, or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Income and the System required by the Constitution and laws of the State and the ordinances, resolutions and contracts of the City, including without limitation the proper segregation of the proceeds of Outstanding Obligations and the Income and their application from time to time to the respective funds provided therefor.

Section 6.05. Costs of Issuance and of Performance of Obligations. Except as otherwise provided herein, all costs and expenses incurred in connection with the issuance of the Series 2021 Bonds, the payment of the Debt Service Requirements, or the performance of or compliance with any covenant or agreement contained in this Ordinance or the Final Terms Certificate shall be paid exclusively (but only from the appropriate special fund or account in the manner authorized herein) from the proceeds of the Series 2021 Bonds, the Net Pledged Revenues (in the manner and to the extent provided herein) or other legally available moneys, and in no event shall any of such costs or expenses be required to be paid out of or charged to the general fund of the City.

Section 6.06. Contractual Obligations. The City will perform all contractual obligations undertaken by it under its contract with the Underwriter and any other agreements relating to the Series 2021 Bonds, the Income or the System.

Section 6.07. Further Assurances. At any and all times the City shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Net Pledged Revenues and other funds hereby pledged or assigned, or intended so to be, or which the City may hereafter become bound to pledge or assign, or as may be reasonable and required to carry out the purposes of this Ordinance. The City, acting by and through its officers, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Net Pledged Revenues and other funds and accounts pledged hereunder and all the rights of every Owner of any of the Series 2021 Bonds issued hereunder against all claims and demands of all Persons.

Section 6.08. Conditions Precedent. Upon the date of issuance of the Series 2021 Bonds, all conditions, acts and things required by the Constitution or laws of the United States of America, the Constitution or laws of the State, the Charter, the Code and this Ordinance to exist, to have happened, and to have been performed precedent to or in the issuance of the Series 2021 Bonds shall exist, have happened and have been performed, and the Series 2021 Bonds being issued, together with all other Obligations, shall not contravene any debt or other limitation prescribed by the Constitution or laws of the United States of America, the Constitution or laws of the State, the Charter or the Code.

Section 6.09. Efficient Operation and Maintenance. The City shall at all times operate the System properly and in a sound and economical manner. The City shall maintain,

preserve and keep the System properly, or cause the same so to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the maintenance of the System may be properly and advantageously conducted. All salaries, fees, wages and other compensation paid by the City in connection with the repair, maintenance and operation of the System shall be fair and reasonable.

Section 6.10. Records and Accounts. The City will keep proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the funds and accounts referred to herein.

Section 6.11. Rules, Regulations and Other Details. The City, acting by and through its officers, shall establish and enforce reasonable rules and regulations governing the construction, operation, care, repair, maintenance, management, control and use of the System. The City shall observe and perform all of the terms and conditions of this Ordinance and any Supplemental Resolution or Final Terms Certificate.

Section 6.12. Payment of Governmental Charges. The City shall pay or cause to be paid all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the System, or upon any part thereof, or upon any portion of the Income, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the System, or any part thereof, except for any period during which the same are being contested in good faith by proper legal proceedings. The City shall not create or suffer to be created any lien or charge upon the System, or any part thereof, or upon the Income, except the pledge and lien created by this Ordinance and any Supplemental Resolutions or Final Terms Certificates for the payment of the Debt Service Requirements due in connection with the Obligations, and except as herein otherwise permitted. The City shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 90 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System, or any part thereof, or the Income, but nothing herein requires the City to pay or to cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 6.13. Protection of Security. The City, its officers, agents and employees shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Series 2021 Bonds payable from the Net Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any owner of any Series 2021 Bond payable from Net Pledged Revenues might be prejudicially and materially impaired or diminished.

Section 6.14. Accumulation of Interest Claims. In order to prevent any accumulation of claims for interest after maturity, the City shall not directly or indirectly extend or assent to the extension of the time for the payment of any claim for interest on any Obligations payable from the Net Pledged Revenues; and the City shall not directly or indirectly be a party to or

approve any arrangements for any such extension or for the purpose of keeping alive any of such claims for interest. If the time for the payment of any such installment of interest is extended in contravention of the foregoing provisions, such installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of this Ordinance, except upon the prior payment in full of the principal of all of the Series 2021 Bonds and Parity Obligations, the payment of which has not been extended.

Section 6.15. Prompt Payment of Series 2021 Bonds. The City shall promptly pay the Debt Service Requirements and perform the other terms of every Series 2021 Bond at the places, on the dates, and in the manner specified herein and in such Series 2021 Bonds according to the true intent and meaning hereof.

Section 6.16. Use of Debt Service Account and Debt Service Reserve Account. Except as otherwise provided herein, the Debt Service Account and any Debt Service Reserve Account established in connection with any Obligations shall be used solely and only for the purpose of paying the Debt Service Requirements of such Outstanding Obligations to their respective maturities or any Redemption Date or Redemption Dates on which the City is obligated to redeem such Obligations.

Section 6.17. Additional Securities. The City shall not hereafter issue any Parity Obligations or Subordinate Revenue Obligations relating to the System and payable from the Net Pledged Revenues, without compliance with the applicable requirements with respect to the issuance of Additional Parity Obligations or Subordinate Revenue Obligations set forth herein or in any Supplemental Resolution or Final Terms Certificate.

Section 6.18. Other Liens. At the time of issuance of any Obligations payable from the Net Pledged Revenues, there shall be no liens or encumbrances of any nature whatsoever on or against the System or any part thereof or on or against the Net Pledged Revenues, except as expressly provided by this Ordinance or a Supplemental Resolution or Final Terms Certificate.

Section 6.19. Federal Income Tax Covenants. The City will, upon the issuance of any Obligations which are sold with the expectation that the interest on such obligations is excluded from gross income for federal income tax purposes or exempt from income taxation by the State, enter into appropriate covenants as to federal and State income tax matters for the benefit of all Owners of such Obligations. Nothing herein prevents the issuance, at the option of the City, of Obligations the interest on which is included in gross income for federal income tax purposes or subject to State income taxation, or both.

Section 6.20. Disposition of Property. Except for the use of the System and services pertaining thereto in the ordinary course of business, no part of the System shall be sold, leased, mortgaged, pledged, encumbered or otherwise disposed of or otherwise alienated, except in compliance with this Section 6.20. For so long as any Obligations are Outstanding, the City may sell, exchange, lease or otherwise dispose of any part of the System not necessary to the generation of sufficient Net Pledged Revenues to satisfy the express requirements of this Ordinance; provided that any proceeds of any such disposition or exchange received and not used to replace the assets so sold or exchanged shall be deposited in the Income Account, and any revenues derived from any such lease shall be deposited by the City as Income of the

System. The expiration or termination of a Capital Lease or Installment Purchase Agreement prior to the acquisition of title to the financed property by the City shall not constitute a disposition of System property.

Section 6.21. Loss from Condemnation. If any part of the System is taken by the exercise of a power of eminent domain, the amount of any award received by the City as a result of such taking shall be expended upon the Improvement of the System or shall be applied to the redemption of the outstanding Parity Obligations, in accordance with the provisions hereof and of any Supplemental Resolution or Final Terms Certificate pertaining to the issuance of any such Obligations, at maturity or prior thereto if such instruments authorize the prior redemption of such securities, or shall be deposited in the Income Account or held as a reserve for expenditure subsequently upon such Improvements, or any combination thereof, as the Council may determine.

Section 6.22. Inspection of Records. Any Owner of any Obligations payable from the Net Pledged Revenues, any duly authorized agent or agents of such Owner, or the Underwriter thereof, shall have the right at all reasonable times to inspect all records, accounts and data relating thereto, concerning the System or the Income, to make copies of such records, accounts and data at the Owner's or Underwriter's expense, and to inspect the System and properties comprising the System, provided that the City shall protect the confidentiality of individual customer records to the extent required by law.

Section 6.23. Audits Required. The City, annually following the close of each Fiscal Year, shall order an audit for the Fiscal Year of the books and accounts pertaining to the System to be made forthwith by an Independent Accountant, and order an audit report showing the receipts and disbursements for each fund or account pertaining to the System or the Income. All expenses incurred in the making of the audits and reports required by this Section may be regarded and paid as an Operation and Maintenance Expense.

Section 6.24. Insurance and Reconstruction. Except to the extent that the City elects to insure itself, the City shall at all times maintain with responsible insurers all such insurance reasonably required and obtainable within limits and at costs deemed reasonable by the City as is customarily maintained with respect to wastewater facilities of like character in the State against loss of or damage to the System and against public and other liability to the extent at least reasonably necessary to protect the interest of the City and of each Owner of Obligations payable from the Net Pledged Revenues, except as herein otherwise provided. If any part of the System shall be damaged or destroyed, the City shall, as expeditiously as possible, commence and diligently proceed with the repair or replacement of the damaged or destroyed property so as to restore the same to use; provided that no such repair or replacement shall be required if the City shall determine in good faith that the damaged or destroyed property was not, prior to such damage or destruction, materially contributing to the Net Pledged Revenues. The proceeds of any insurance or self-insurance pertaining to the System shall be payable to the City and (except for proceeds of use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement, and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Income Account as Income. If the costs of such repair and replacement of the damaged or destroyed property exceed the proceeds of such property insurance available for payment of the same, moneys in the Income Account

shall be used to the extent necessary for such purpose, to the extent permitted by Sections 3.02 and 3.07 hereof.

Section 6.25. Services Outside City Limits. Nothing in this Ordinance shall be construed or interpreted as preventing or limiting the City's ability to provide wastewater services outside City limits. The City shall be permitted to add System customers within or outside of City limits, solely within the City's discretion.

Section 6.26. Additional Governmental Agreements. The City reserves the right and shall be permitted to enter into intergovernmental agreements with other entities to contract for the provision or receipt of wastewater collection or treatment services.

ARTICLE VII

DEFEASANCE

When all Debt Service Requirements of all or any portion of the Series 2021 Bonds issued hereunder have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged as to such Series 2021 Bonds and such Series 2021 Bonds shall no longer be deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment when the City has placed in escrow or in trust with a Trust Bank, located within or without the State, cash or Federal Securities in an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part maybe initially invested) to pay all Debt Service Requirements of such Series 2021 Bonds, as the same become due at their maturity date or upon any Redemption Date as of which the City shall have exercised or shall have obligated itself to exercise its option to call such Series 2021 Bonds for prior redemption. The Federal Securities shall become due prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owner thereof to assure such availability as so needed to meet such schedule. Nothing herein shall be construed to prohibit a partial defeasance of the outstanding Series 2021 Bonds issued hereunder in accordance with the provisions of this Article VII. In connection with a Credit Facility, the City may provide by Supplemental Resolution or Final Terms Certificate for Series 2021 Bonds to remain Outstanding, notwithstanding this Article VII, until the Credit Facility Provider has been reimbursed for amounts advanced by it and interest thereon in accordance with the terms of a Credit Facility.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following events is hereby declared to be and to constitute an Event of Default:

(a) ***Nonpayment of Principal.*** Payment of the principal of any Series 2021 Bond or Parity Obligation is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise.

(b) ***Nonpayment of Interest.*** Payment of any installment of interest on any Series 2021 Bond or Parity Obligation is not made when the same becomes due and payable.

(c) ***Incapacity to Perform.*** The City for any reason becomes incapable of fulfilling its obligations hereunder or under this Ordinance or the Final Terms Certificate.

(d) ***Nonperformance of Duties.*** The City defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in this Ordinance or the Final Terms Certificates pertaining to the Series 2021 Bonds on its part to be performed, and if such default continues for 60 days after written notice, specifying such default and requiring the same to be remedied, is given to the City by the Owners of 25% in aggregate principal amount of the Series 2021 Bonds then Outstanding; provided that if such failure cannot be cured within such 60 days and if during that period corrective action has commenced to remedy such default and subsequently is diligently pursued to the completion of such performance, an Event of Default shall not be deemed to have occurred.

(e) ***Failure to Reconstruct.*** Except as permitted by Section 6.20 hereof, the City discontinues or unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any essential part of the System which is condemned, destroyed or damaged and is not promptly repaired or replaced (whether such failure to repair or replace the same is due to impracticality of such repair or replacement, or is due to a lack of moneys therefor, or any other reason).

(f) ***Appointment of Receiver.*** An order or decree is entered by a court of competent jurisdiction, with the consent or acquiescence of the City, appointing a receiver or receivers for the System or for the Income and any other moneys subject to the lien to secure the payment of the Series 2021 Bonds, or both the System and such moneys, or if any order or decree, having been entered without the consent or acquiescence of the City, is not vacated or discharged or stayed on appeal within 60 days after entry.

An Event of Default may occur, be existing or be waived or terminated with respect to any one or more Series 2021 Bonds.

Section 8.02. Remedies for Defaults. Upon the happening and continuation of any Event of Default, as provided in Section 8.01 hereof, then and in every case the Owner or Owners of not less than 25% in aggregate principal amount of the Series 2021 Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the City and its agents, officers and employees to protect and to enforce the rights of any Owner of any of the Series 2021 Bonds under this Ordinance by mandatory injunction or by other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or an operating trustee with respect to any Series 2021 Bonds or for the specific performance of any covenant or agreement contained herein or for any proper legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Series 2021 Bond, or to require the City to act as if it were the trustee of an express trust, or any combination of such remedies or as otherwise may be authorized by any statute or other provision of law. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Series 2021 Bonds then Outstanding. Any receiver or operating trustee appointed in any proceedings to protect the rights of such Owners hereunder may collect, receive and apply all Income arising after the appointment of such receiver or operating trustee in the same manner as the City itself might do. The consent to any such appointment is hereby expressly granted by the City.

Section 8.03. Rights and Privileges Cumulative. The failure of any Owner of any Outstanding Series 2021 Bond to proceed in any manner herein provided shall not relieve the City or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such Owner or trustee therefor is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed a waiver of any other right or privilege thereof. Each Owner of any Series 2021 Bond shall be entitled to all of the privileges, rights and remedies provided or permitted in this Ordinance and as otherwise provided or permitted by law or in equity or by statute, except as provided in Sections 10.01, 10.02 and 10.03 hereof, and subject to the applicable provisions concerning the Income and the proceeds of the Series 2021 Bonds. Nothing herein affects or impairs the right of any Owner of any Series 2021 Bond to enforce the payment of the Debt Service Requirements due in connection with such Series 2021 Bond or the obligation of the City to pay the Debt Service Requirements of such Series 2021 Bond to the Owner thereof at the time and the place expressed in such Series 2021 Bond.

Section 8.04. Duties Upon Default. Upon the happening of any Event of Default with respect to any one or more Series 2021 Bonds, the City, in addition, will do and perform all proper acts on behalf of and for the Owners of the Outstanding Series 2021 Bonds to protect and to preserve the security created for the payment of the Series 2021 Bonds and to insure the payment of the Debt Service Requirements thereof promptly as the same become due. During any period of default, so long as any of the Series 2021 Bonds, as to any Debt Service Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Net Pledged Revenues shall be paid into the applicable Debt Service Account, or other account designated for payment of the Debt Service Requirements of each Series 2021 Bonds, on an equitable and prorated basis, and used for the purposes therein provided. If the City fails or refuses to proceed as in this Section 8.04 provided, the owner or Owners of not less than 25% in aggregate principal

amount of the Series 2021 Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Series 2021 Bonds as hereinabove provided; and to that end any such Owners of Outstanding Series 2021 Bonds shall be subrogated to all rights of the City under any agreement or contract involving the Net Pledged Revenues entered into prior to the effective date of this Ordinance or thereafter while any of the Series 2021 Bonds are Outstanding. Nothing herein requires the City to proceed as provided herein if it determines in good faith and without any abuse of its discretion that if it so proceeds it is more likely than not to incur a net loss rather than a net gain or that such action is likely to affect materially and prejudicially the Owners of the Series 2021 Bonds.

Section 8.05. Evidence of Security Owners. Any request, consent or other instrument which this Ordinance may require or may permit to be signed and to be executed by the Owner of any of the Series 2021 Bonds may be in one instrument or more than one instrument of similar tenor and shall be signed or may be executed by each Owner in person or by his attorney appointed in writing. Proof of the execution of any such instrument or of any instrument appointing any such attorney, or the ownership by any Person of Series 2021 Bonds, shall be sufficient for any purpose of this Ordinance (except as otherwise herein expressly provided) if made in the following manner:

(a) ***Proof of Execution.*** The fact and the date of the execution by any Owner of any Series 2021 Bonds or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of any officer of a bank or trust company satisfactory to the Registrar or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which such officer purports to act, that the individual signing such request or other instrument acknowledged to such officer the execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate Owner of any Series 2021 Bonds may be established without further proof if such instrument is signed by an individual purporting to be the president or vice-president of such corporation with the corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity.

(b) ***Proof of Ownership.*** The amount of Series 2021 Bonds owned by any Person executing any instrument as an Owner of Series 2021 Bonds, and the numbers, date and other identification thereof, together with the date of his ownership of the Series 2021 Bonds, shall be determined from the registration books of the City maintained by the Registrar for each Series 2021 Bonds; but the Registrar may nevertheless in its discretion require further or other proof in cases where it deems the same advisable.

ARTICLE IX

AMENDMENT OF ORDINANCE

Section 9.01. Amendments of Ordinance Not Requiring Consent of Owners. The City may, without the consent of, or notice to, the Owners of any Series 2021 Bonds, adopt such ordinances supplementing or amending this Ordinance or the Final Terms Certificate (which amendments shall thereafter form a part thereof) for any one or more or all of the following purposes:

- (a) to cure or correct any formal defect, ambiguity or inconsistent provision contained in this Ordinance or the Final Terms Certificate;
- (b) to appoint successors to the Paying Agent, Registrar or Transfer Agent;
- (c) to designate a trustee for the Owners of the Series 2021 Bonds, to transfer custody and control of all or any portion of the Income to such trustee, and to provide for the rights and obligations of such trustee;
- (d) to add to the covenants and agreements of the City or the limitations and restrictions on the City set forth herein;
- (e) to pledge additional revenues, properties or collateral to the payment of the Series 2021 Bonds;
- (f) to cause this Ordinance to comply with the Trust Indenture Act of 1939, as amended from time to time; or
- (g) to effect any other changes hereto which do not materially adversely affect the interests of the Owners of any Series 2021 Bonds which do not adversely affect the interests of the Owners of the Series 2021 Bonds.

Section 9.02. Amendment of Ordinance Requiring Consent of Owners. Exclusive of the amendatory ordinances covered by Section 9.01 hereof, this Ordinance or the Final Terms Certificate may be amended or modified by ordinances or other instruments duly adopted by the Council, without receipt by it or any additional consideration, but with the written consent of the Owners of 66% in aggregate principal amount of the Series 2021 Bonds then Outstanding at the time of the adoption of such amendatory ordinance; provided that no such amendatory action shall permit:

- (a) ***Changing Payment.*** A change in the maturity or in the terms of redemption of the principal of any Outstanding Series 2021 Bond or any installment of interest thereon;
- (b) ***Reducing Return.*** A reduction in the principal amount of any Series 2021 Bond or the rate of interest thereon without the consent of the owner of the Series 2021 Bond;

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

(d) **Modifying Amendment Terms.** A reduction of the principal amount or percentages of Series 2021 Bonds, or any modification otherwise affecting the description of Series 2021 Bonds, or otherwise changing the consent of the Owners of Series 2021 Bonds, which may be required for any amendment hereto or to the Final Terms Certificate;

(e) **Priorities Between Obligations.** The establishment of priorities as between Obligations of the same class issued and Outstanding under the provisions of this Ordinance; or

(f) **Partial Modification.** Any modifications otherwise materially and prejudicially affecting the rights or privileges of the Owners of less than all of the Series 2021 Bonds then Outstanding.

Whenever the Council proposes to amend or modify this Ordinance or the Final Terms Certificate under the provisions of this Section 9.02 it shall give notice of the proposed amendment by mailing such notice to the Underwriter, or to any successors thereof known to the Registrar, and to all owners of the Series 2021 Bonds at the addresses appearing on the registration books of the City. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory ordinance or other instrument is on file in the office of the City Clerk for public inspection.

Section 9.03. Time for and Consent to Amendment. Whenever at any time within one year from the date of the completion of the notice required to be given by Section 9.02 hereof there shall be filed in the office of the City Clerk an instrument or instruments executed by the Owners of at least 66% in aggregate principal amount of the Series 2021 Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory ordinance or other instrument described in such notice and shall specifically consent to and approve the adoption of such ordinance or other instrument, thereupon, but not otherwise, the Council may adopt such amendatory ordinance or instrument and such ordinance or instrument shall become effective. If the Owners of at least 66% in aggregate principal amount of the Series 2021 Bonds then Outstanding, at the time of the adoption of such amendatory ordinance or instrument, or the predecessors in title of such Owners, shall have consented to and approved the adoption thereof as herein provided, no Owner of any Series 2021 Bonds, whether or not such Owner shall have consented to or shall have revoked any consent as herein provided, shall have any right or interest to object to the adoption of such amendatory ordinance or other instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions thereof. Any consent given by the Owner of a Series 2021 Bond pursuant to the provisions thereof shall be irrevocable for a period of six months from the date of the completion of the notice above provided for and shall be conclusive and binding upon all future Owners of the same Series 2021 Bond during such period. Such consent may be revoked at any time after six months from the completion of such notice, by the Owner who gave such consent or by a successor in title, by filing notice of such revocation with the City Clerk, but such revocation shall not be effective if the Owners of 66% in

aggregate principal amount of the same Series 2021 Bonds Outstanding, prior to the attempted revocation, shall have consented to and approved the amendatory instrument referred to in such revocation.

Section 9.04. Unanimous Consent. Notwithstanding anything in the foregoing provisions contained, the terms and the provisions of this Ordinance or the Final Terms Certificate, or of any ordinance or instrument amendatory thereof, and the rights and the obligations of the City and of the Owners of any Series 2021 Bond may be modified or amended in any respect as to the Series 2021 Bonds upon the adoption by the City and upon the filing with the City Clerk of an instrument to that effect and with the consent of the Owners of all the then Outstanding Series 2021 Bonds, such consent to be given in the manner provided in Section 9.03 hereof; and no notice to Owners of Series 2021 Bonds shall be required as provided in Section 9.02 hereof, nor shall the time of consent be limited except as may be provided in such consent.

Section 9.05. Exclusion of Series 2021 Bonds. At the time of any consent or other action taken hereunder the Registrar shall furnish to the City Clerk a certificate, upon which the City Clerk may rely, describing all Series 2021 Bonds to be excluded, either because such Series 2021 Bonds are not Outstanding for purposes of this Ordinance or because they are not affected by such consent or other action, for the purpose of consent or other action or any calculation of Outstanding Series 2021 Bonds provided for hereunder, and, with respect to such excluded Series 2021 Bonds, the City shall not be entitled or required with respect to such Series 2021 Bonds to give or obtain any consent or to take any other action provided for hereunder.

Section 9.06. Notation on Series 2021 Bonds. Any of the Series 2021 Bonds delivered after the effective date of any action taken as provided in Section 9.01, 9.02 or 9.04 or any Series 2021 Bond Outstanding at the effective date of such action, may bear a notation thereon by endorsement or otherwise in form approved by the Council as to such action; and if any such Series 2021 Bond so executed and delivered after such date does not bear such notation, then upon demand of the Owner of any Series 2021 Bond Outstanding at such effective date and upon presentation of such Owner's Series 2021 Bond for such purpose at the principal office of the Registrar, suitable notation shall be made on such Series 2021 Bond by the Paying Agent as to any such action. If the Council so determines, new Series 2021 Bonds so modified as in the opinion of the Council to conform to such action shall be prepared, executed and delivered; and upon demand of the Owner of any Series 2021 Bond then Outstanding, shall be exchanged without cost to such Owner for Series 2021 Bonds then Outstanding upon surrender of such Outstanding Series 2021 Bonds.

Section 9.07. Proof of Execution of Instruments and Ownership of Series 2021 Bonds. The fact and date of execution of any instrument under the provisions of this Article IX, the amount and number of the Series 2021 Bonds owned by any Person executing such instrument, and the date of their execution or the registration of such Series 2021 Bonds may be proved as provided by Section 8.05 hereof.

ARTICLE X

MISCELLANEOUS

Section 10.01. Character of Agreement. None of the covenants, agreements, representations or warranties contained herein or in the Series 2021 Bonds shall ever impose or be construed as imposing any liability, obligation or charge against the City (except for the special funds pledged therefor) or against the general credit of the City payable out of general funds or out of any funds derived from general property taxes.

Section 10.02. No Pledge of Property. The payment of the Series 2021 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City except for the Net Pledged Revenues and the other property, funds and accounts pledged pursuant to this Ordinance or any Supplemental Resolution, Final Terms Certificate or other instrument adopted in connection with the Series 2021 Bonds. No property of the City, subject to such exception with respect to the Net Pledged Revenues pledged for the payment of the Series 2021 Bonds, shall be liable to be forfeited or taken in payment of the Series 2021 Bonds.

Section 10.03. Statute of Limitations. No action or suit based upon any Series 2021 Bond shall be commenced after it is barred by any statute of limitations pertaining thereto. Any legal relationship between the City and the Owner of any Series 2021 Bond shall be conclusively presumed to have been repudiated on the maturity date or other due date thereof unless the Series 2021 Bond is presented for payment or demand for payment of such other obligation is otherwise made before the expiration of the applicable limitation period. Any moneys from whatever source derived remaining in any fund or account reserved, pledged or otherwise held for the payment of any such Series 2021 Bond, action or suit, the collection of which has been barred, shall revert to the Income Account, unless the Council shall otherwise provide by ordinance. Nothing herein prevents the payment of any such Series 2021 Bond after an action or suit for its collection has been barred if the Council deems it in the best interests of the City or the public so to do and orders such payment to be made.

Section 10.04. Delegated Duties. The officers of the City are hereby authorized and directed to enter into such agreements and take all action necessary or appropriate to effectuate the provisions of this Ordinance and to comply with the requirements of law.

Section 10.05. Successors. Whenever herein the City is named or is referred to, such provision shall be deemed to include any successors of the City, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the City contained herein shall bind and inure to the benefit of any officer, board, district, commission, authority, agency, instrumentality or other Person or Persons to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the City or of its respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

Section 10.06. Rights and Immunities. Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give to

any Person, other than the City and the Owners from time to time of the Obligations, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the Owners of the Series 2021 Bonds entitled to such benefit. To the extent provided by Supplemental Resolution or Final Terms Certificate, a Credit Facility Provider or Liquidity Facility Provider may be treated, through subrogation or otherwise, as if it were an Owner of Series 2021 Bonds.

No recourse shall be had for the payment of the Debt Service Requirements of the Series 2021 Bonds or for any claim based thereon or otherwise upon this Ordinance authorizing their issuance or any other ordinance or instrument pertaining thereto, against any individual member of the Council, or any officer or other agent of the City or the Enterprise, past, present or future, either directly or indirectly through the City, or otherwise, whether by virtue of any constitution, statute or rule of law or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Obligations and as a part of the consideration of their issuance specially waived and released.

Section 10.07. Ratification. All action not inconsistent with the provisions of this Ordinance heretofore taken by the City or its officers, and otherwise by the City directed toward the adoption of this Ordinance and the issuance of the Series 2021 Bonds for the purposes described herein is hereby ratified, approved and confirmed.

Section 10.08. Ordinance Irrepealable. This Ordinance is, and shall constitute, a legislative measure of the City and after any of the Obligations are issued, this Ordinance shall constitute an irrevocable contract between the City and the Owner or Owners of the Obligations; and this Ordinance, subject to the provisions of Articles VII and IX hereof, if any Obligations are in fact issued hereunder, shall be and shall remain irrepealable until the Obligations, as to all Debt Service Requirements, shall be fully paid, cancelled and discharged, as herein provided.

Section 10.09. Repealer. All acts, orders, resolutions, ordinances or parts thereof, in conflict with this Ordinance or with any of the documents hereby approved, are hereby repealed only to the extent of such conflict. This repealer shall not be construed as reviving any resolution, ordinance, or part thereof heretofore repealed.

Section 10.10. Severability. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Publication and Effective Date. Pursuant to the Charter, this Ordinance shall be published either in full or by title following second reading and shall take effect and be in force five (5) days after publication. If this Ordinance is published by title the publication shall include a summary of the subject matter hereof and a notice to the public that copies of the full text are available at the office of the City Clerk. This Ordinance shall expire to the extent that the Series 2021 Bonds authorized herein are not issued within one year of the date of final adoption.

[Remainder of Page Left Intentionally Blank]

INTRODUCED, READ AND ORDERED POSTED this 14th day of December, 2020.

By: Meredith Leighty
MEREDITH LEIGHTY
Mayor

ATTEST:

Johanna Small
JOHANNA SMALL, CMC
City Clerk

PASSED ON SECOND AND FINAL READING this _____ day of _____, 2020.

By: _____
MEREDITH LEIGHTY
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney

EXHIBIT A

FORM OF SERIES 2021 BOND

**UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTIES OF ADAMS AND WELD
CITY OF NORTHGLENN
WASTEWATER ENTERPRISE
WASTEWATER REVENUE BOND
SERIES 2021**

No. R-__ \$_____

Interest Rate Maturity Date Original Date CUSIP

REGISTERED OWNER: ****CEDE & CO.****
Tax Identification Number: 13-2555119

PRINCIPAL SUM: **** _____ DOLLARS****

The City Council of the City of Northglenn, in the Counties of Adams and Weld and the State of Colorado, acting as the governing body of the Wastewater Enterprise of said 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 authentication date hereof, whichever is later, to the Maturity Date, except if redeemed prior thereto, at the per annum Interest Rate (specified above), payable semiannually on the first day of June and the first day of December of each year, commencing on _____, 2021, or the first such date after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate until the Principal Sum is paid in full.

The Series 2021 Bonds maturing in the years 20__ through 20__ are not subject to optional redemption prior to their respective maturity dates. The Series 2021 Bonds maturing in the year 20__ and thereafter are subject to optional redemption prior to their respective maturity dates, in whole or in part and by lot within a maturity, on December 1, 20__, and on any date thereafter, at a price equal to the principal amount of each Series 2021 Bond so redeemed plus [redemption premium, if any, and] accrued interest thereon to the redemption date.

The Series 2021 Bonds maturing on December 1, 20__ are also subject to mandatory sinking fund redemption by lot on December 1 of the years and in the principal amounts

specified below, at a redemption price equal to the principal amount thereof, [plus redemption premium, if any, and] accrued interest to the redemption date.

Redemption Date Principal Amount
(December 1)

20__
20__
20__
20__
20__¹

¹Final Maturity; not a sinking fund redemption payment.

Series 2021 Bonds which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$5,000. In such case the Series 2021 Bond is to be surrendered in the manner provided for transfers of ownership. Upon payment of the redemption price the Registered Owner is to receive a new Series 2021 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered.

Notice of redemption of any Bonds of this series is to be given by the Paying Agent by sending a copy of such notice by first-class postage prepaid mail, at least 30 days prior to the redemption date, to RBC Capital Markets, LLC, Denver, Colorado, the Original Purchaser hereof, and to the registered owner of each of the Series 2021 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the City. Such notice is to specify the number or numbers of the Series 2021 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption, and is further to state that on the redemption date there will be due and payable upon each Series 2021 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the redemption date and that from and after such date interest will cease to accrue. For so long as the Series 2021 Bonds are in book-entry form through The Depository Trust Company or its nominee, such notice may be given, in lieu of such mailing, by sending a copy thereof by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2021 Bonds are in book-entry form, the Paying Agent is authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so mailed or sent with respect to any Series 2021 Bond does not affect the validity of the redemption proceedings with respect to any other Series 2021 Bond.

The principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond are payable to the Registered Owner by UMB Bank, n.a., Denver, Colorado, or its successors, as Paying Agent. The principal and the final installment of interest are payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is the fifteenth day of the calendar month next preceding the interest payment date,

irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books of the City maintained by UMB BANK, n.a., Denver, Colorado, or its successors, as Registrar. Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of the close of business on the special record date, which is to be fixed by the Paying Agent for such purpose, irrespective of any transfer of ownership of this Series 2021 Bond subsequent to such special record date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 10 days prior to the special record date, to UMB Bank, n.a., Denver, Colorado, and to the Registered Owner of each Series 2021 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing, at the addresses appearing on the registration books of the City. Any premium is payable to the Registered Owner upon presentation and surrender of this Series 2021 Bond upon prior redemption. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice is to be made or given on the next succeeding day which is a Business Day.

Payment of the principal of, interest on and any premium due in connection with the redemption of this Series 2021 Bond is to be made solely from, and as security for such payment there are irrevocably (but not necessarily exclusively) pledged, pursuant to the Ordinance of the City pertaining to the Bonds (the "Bond Ordinance"), as supplemented by the Final Terms Certificate (the "Final Terms Certificate") pursuant to which this Series 2021 Bond is delivered (the Bond Ordinance and the Final Terms Certificate being referred to collectively as the "Ordinance"), [two] special account[s], thereby identified as the Debt Service Account [and the Debt Service Reserve Account], into which the City Council, acting as the governing board of the Wastewater Enterprise of the City, has covenanted in the Ordinance to pay, from certain revenues derived from the operation and use of and otherwise pertaining to the wastewater facilities (the "System") of the City (the "Income") after provision is made only for the payment of all necessary and reasonable current expenses of operating, maintaining and repairing the System (such remaining revenues being referred to as the "Net Pledged Revenues"), sums sufficient to pay when due the principal of, interest on and any premium due in connection with the redemption of the Series 2021 Bonds and any parity securities payable from such revenues, and to accumulate and maintain a specified reserve for such purposes. In addition, the City may at its option augment such funds with any other moneys of the City legally available for expenditure for the purposes thereof as provided in the Ordinance.

It is hereby recited, certified and warranted that for the payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond, the City has created and will maintain said special funds and will deposit the Net Pledged Revenues therein, and out of said special funds, as an irrevocable charge thereon, will pay the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond in the manner provided by the Ordinance.

The Bonds of this issue are equitably and ratably secured by a lien on the Net Pledged Revenues, and such Bonds constitute an irrevocable and first lien, but not necessarily an

exclusive first lien, upon the Net Pledged Revenues. Bonds and other obligations, in addition to the Bonds of this issue, subject to expressed conditions, may be issued and made payable from the Net Pledged Revenues having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of such Bonds in accordance with the provisions of the Ordinance.

The City Council covenants and agrees with the Registered Owner hereof that it will keep and will perform all of the covenants of this Series 2021 Bond and of the Ordinance described below.

This Series 2021 Bond is authorized and issued for the purpose of defraying the cost of constructing and installing additions and improvements to the System under the authority of and in full conformity with the Constitution of the State of Colorado, the City Charter, the Municipal Code of the City, and all other applicable laws of the State of Colorado and pursuant to the Ordinance, hereinafter identified, duly adopted prior to the issuance of this Series 2021 Bond.

Reference is hereby made to the Ordinance for a description of the provisions, terms and conditions upon which the Bonds of this issue are issued and secured, including, without limitation, the nature and extent of the security for the Series 2021 Bonds, provisions with respect to the custody and application of the proceeds of the Series 2021 Bonds, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, the terms and conditions on which the Series 2021 Bonds are issued, a description of the special funds referred to above and the nature and extent of the security and pledge afforded thereby for the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2021 Bonds, and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the City and the members of its Council and also the rights and remedies of the Registered Owners of the Series 2021 Bonds.

To the extent and in the respects permitted by the Ordinance, the provisions thereof, or any instrument amendatory thereof or supplemental thereto, may be modified or amended by action of the City Council of the City taken in the manner and subject to the conditions and exceptions provided therein. The pledge of revenues and other obligations of the City and its Wastewater Enterprise under the Ordinance may be discharged at or prior to the maturity or prior redemption of the Series 2021 Bonds upon the making of provision for the payment of the Series 2021 Bonds on the terms and conditions set forth in the Ordinance.

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the City and the Wastewater Enterprise of the City in the issuance of this Series 2021 Bond; that it is issued pursuant to and in strict conformity with the Constitution and all other laws of the State of Colorado, including the City Charter, the City Code and the Ordinance; that this Series 2021 Bond does not contravene any constitutional or statutory provision or limitation of the State of Colorado, or any provision or limitation of the City Charter; and that this Series 2021 Bond is issued under the authority of the Ordinance.

This Series 2021 Bond is issued pursuant to the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., and this recital shall be conclusive evidence of the validity and the regularity of issuance of this Series 2021 Bond after its delivery for value.

This Series 2021 Bond is transferable only upon the registration books of the City by UMB Bank, n.a., Denver, Colorado, or his, her or its successors, as Transfer Agent, at the request of the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The Transfer Agent shall accept this Series 2021 Bond for registration or transfer only if the Registered Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership or a trust. The Transfer Agent is not required to transfer ownership of this Series 2021 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2021 Bond selected for redemption on or after the date of such mailing. The Registered Owner may also exchange this Series 2021 Bond for another Series 2021 Bond or Bonds of authorized denominations. Transfers and exchanges are to be made at the expense of the transferor or exchanger, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2021 Bonds. No transfer of this Series 2021 Bond is to be effective until entered on the registration books of the City maintained by the Registrar. In the case of every transfer or exchange, the Registrar shall authenticate and the Transfer Agent shall deliver to the new Registered Owner a new Series 2021 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2021 Bond or Bonds surrendered. Such Series 2021 Bond or Bonds shall be dated as of their date of authentication. The City may deem and treat the person in whose name this Series 2021 Bond is last registered upon the books of the City as the absolute owner hereof for the purpose of receiving payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2021 Bond and for all other purposes, and all such payments so made to such owner or upon such owner's order will be valid and effective to satisfy and discharge the liability of the City upon this Series 2021 Bond to the extent of the sum or sums so paid, and the City will not be affected by any notice to the contrary.

This Series 2021 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, as more specifically provided in the Ordinance. This Series 2021 Bond does not constitute a debt or an indebtedness or a multiple-fiscal year debt or other financial obligation of the City within the meaning of any constitutional, charter or statutory provision or limitation. This Series 2021 Bond is not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for the payment of the principal of or interest on this Series 2021 Bond.

IN WITNESS WHEREOF, the City Council of the City of Northglenn, Colorado, acting by and through the Wastewater Enterprise of said City, has caused this Series 2021 Bond to be executed in its name and on its behalf with the manual or facsimile signature of the Mayor of the City, to be sealed with the manual or facsimile seal of the City, and to be signed and attested with the manual or facsimile signature of the City Clerk of the City.

[SEAL]

CITY OF NORTHGLENN, COLORADO,
ACTING BY AND THROUGH ITS
WASTEWATER ENTERPRISE

By _____
Mayor

Attest:

By _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds issued pursuant to the Ordinance herein described. Attached hereto is the complete text of the opinion of bond counsel, a signed copy of which, dated the date of the first delivery of the Series 2021 Bonds herein described, is on file with the undersigned.

Dated: _____

UMB BANK, N.A., as Registrar

By _____
Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Series 2021 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 GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act

(State)

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

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and Address of Assignee)

the attached Series 2021 Bond and does hereby irrevocably constitute and appoint _____, _____, _____, or its successor, to transfer said Series 2021 Bond on the books kept for registration thereof.

Dated: _____

Signature guaranteed:

Signature must be guaranteed by a
member of a Medallion Signature
Program

[BANK, TRUST COMPANY OR FIRM]

By _____
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the attached Series 2021 Bond in every particular without alteration or enlargement or any change whatever.

TRANSFER FEE REQUIRED