

SPONSORED BY: MAYOR LEIGHTY

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-180
Series of 2020

20-179
Series of 2020

A RESOLUTION PURSUANT TO THE REQUIREMENTS OF SECTION 3-1-4(d) OF THE NORTHGLENN MUNICIPAL CODE SETTING A PUBLIC HEARING FOR COUNCILMAN'S BILL 1961, SERIES OF 2020

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. A Public Hearing will be held on CB-1961, Series of 2020, entitled "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" at a meeting of the Northglenn City Council on December 21, 2020 at 6:00 p.m. or as soon thereafter as the matter may be heard. Due to the COVID-19 pandemic, the meeting will be held electronically. Electronic access options will be posted at the City's designated posting places and on the City's website at www.northglenn.org.

DATED at Northglenn, Colorado, this 14th day of December, 2020.


MEREDITH LEIGHTY
Mayor

ATTEST:



JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:



COREY Y. HOFFMANN
City Attorney

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.

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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 (December 1)	Principal Amount
---	-------------------------

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