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**SERIES 2022 WATER REVENUE REFUNDING AND IMPROVEMENT BOND  
SERIES ORDINANCE**

**CITY OF GREELEY, COLORADO**

acting by and through its

**WATER ENTERPRISE**

Authorizing  
the issuance, sale and delivery of not to exceed  
\$77,500,000  
aggregate principal amount of  
Water Revenue Refunding and Improvement Bonds  
Series 2022

Effective \_\_\_\_\_, 2022

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

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EXHIBIT A      SERIES 2022 BOND FORM

**CITY OF GREELEY, COLORADO  
ORDINANCE NO. \_\_\_\_\_, 2021**

**AN ORDINANCE PROVIDING FOR THE ISSUANCE BY THE CITY OF GREELEY, COLORADO OF ITS WATER REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2022, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$77,500,000 FOR THE PURPOSE OF FINANCING IMPROVEMENTS, BETTERMENTS, EXTENSIONS AND EXPANSIONS OF THE CITY'S WATER SYSTEM AND REFINANCING CERTAIN OF THE CITY'S WATER REVENUE BONDS, SERIES 2012; PROVIDING FOR THE DELEGATION TO CITY OFFICERS OF AUTHORITY IN CONNECTION WITH THE COMPETITIVE SALE OF THE SERIES 2022 BONDS; PROVIDING FOR THE PAYMENT OF THE SERIES 2022 BONDS FROM NET REVENUES OF THE CITY'S WATER SYSTEM AND PLEDGING SUCH NET REVENUES THEREFOR; PROVIDING FOR THE FORM AND TERMS OF SUCH SERIES 2022 BONDS, SETTING FORTH COVENANTS AND PROVISIONS CONCERNING SUCH SERIES 2022 BONDS, NET REVENUES, AND WATER SYSTEM, AND PROVIDING FOR OTHER DETAILS IN CONNECTION THEREWITH; AND RATIFYING PRIOR ACTIONS RELATING TO THE FOREGOING**

**BE IT ORDAINED BY THE CITY COUNCIL OF GREELEY, COLORADO:**

Section 1. Findings. The City Council of the City of Greeley, Colorado (the "Council" and the "City," respectively) hereby finds and determines as follows:

(a) Section 5-18(d) of the Charter of the City (the "Charter") provides that the City may, without an election, issue securities made payable solely from revenues derived from the operation of projects or improvements or from any source or sources or any combination thereof, other than ad valorem taxes of the City; and Section 5-23(c) of the Charter provides that the sale of all bonds (with certain exceptions not relevant to the subject matter of this ordinance) shall be based upon competitive bids.

(b) Pursuant to Article XVII of the Charter, including amendments thereto adopted at the general election in 1993, the City owns, operates and maintains a municipal water system (the "System") as an "enterprise" within the meaning of Article X, Section 20 of the Colorado Constitution. The System has been designated as an enterprise by such 1993 Charter amendments, by Section 20-23 of the Greeley City Code, and by related actions of the Council and the City's Water and Sewer Board, and such designation is hereby ratified and confirmed. The Council has determined, and hereby determines, based in part upon advice of bond counsel, that the System currently meets all requirements applicable to an enterprise under said Article X, Section 20. Without limiting the generality of the foregoing, the Council has determined, and hereby determines, that in each fiscal year since the adoption of said Article X, Section 20, through and including the 2021 fiscal year, the System has received, and that for the 2022 fiscal year the City intends and reasonably expects that the System will receive, under 10% of annual revenue in grants from all Colorado state and local governments combined. Also, Article X, Section 20 of the Colorado Constitution permits refunding of outstanding bonds at a lower interest rate without an election. Accordingly, no election

is necessary under Article X, Section 20 of the Colorado Constitution to issue the below-defined Series 2022 Bonds.

(c) It is necessary and desirable for the best interests of the health, safety and welfare of the people of the City to finance the acquisition and construction of capital improvements, betterments, extensions and expansions of the System (the "Improvement Project").

(d) It is necessary and desirable for the best interests of the health, safety and welfare of the people of the City to refund, at a lower interest rate, the callable maturities of its Water Revenue Bonds, Series 2012 (the "Series 2012 Bonds"), which were originally issued to finance or refinance the acquisition and construction of capital improvements, betterments, extensions and expansions of the System (the "Refunding Project" and, together with the Improvement Project, the "Project").

(e) For the purpose of effecting such Project, it is necessary to authorize the issuance of not to exceed \$77,500,000 aggregate principal amount of Water Revenue Refunding and Improvement Bonds, Series 2022 (the "Series 2022 Bonds") upon the terms provided herein.

(f) The Series 2022 Bonds shall be payable solely from and shall be secured by a pledge of and an irrevocable lien on the Net Revenues (as defined below) of the System. The Series 2022 Bonds shall not constitute a debt or indebtedness of the City within the meaning of any Charter, constitutional or statutory provision or limitation and are not secured by the full faith and credit of the City or by any taxing power of the City or any other government; nor shall the Series 2022 Bonds constitute a multiple-fiscal year direct or indirect debt or other financial obligation within the meaning of Article X, Section 20 of the Colorado Constitution; nor shall the Series 2022 Bonds be considered or held to be general obligations of the City; rather, the Series 2022 Bonds shall be payable only from the Net Revenues of the System.

(g) The City has heretofore duly authorized, issued, sold and delivered (i) the Series 2012 Bonds; (ii) its Water Revenue Refunding Bonds, Series 2014 (the "Series 2014 Bonds"); (iii) its Water Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds"); and (iv) its Water Revenue Bonds, Series 2018 (the "Series 2018 Bonds"). There are no other outstanding bonds, notes or other obligations of the City secured by a pledge of or a lien on the Net Revenues. There are no ordinances, resolutions, contracts, agreements, or other enactments or commitments of the City which would prevent the City from issuing and performing its obligations with respect to the Series 2022 Bonds.

(h) Pursuant to § 18-8-308, Colorado Revised Statutes ("C.R.S."), all known potential conflicting interests, if any, with respect to the Series 2022 Bonds and the expenditure of proceeds thereof have been disclosed to the Council and to the Colorado Secretary of State. No member of the Council has a personal or private interest, as such terms are used in § 24-18-109, C.R.S., in the Series 2022 Bonds, the Project, or any other subject matter of this ordinance, and no member of the Council has any interest, as such term is used in § 24-18-201, C.R.S., in the Series 2022 Bonds, the Project or any other contract made or to be made pursuant to this ordinance.

**Section 2. Definitions.** The terms defined in this Section shall have the meanings assigned in this Section for all purposes of this ordinance (the "Ordinance"), the Exhibits hereto and any amendatory or supplemental ordinance, except where the context by clear implication requires otherwise. Other terms are defined elsewhere in this Ordinance.

"Bond" or "Bonds" includes the Series 2022 Bonds and any other designated bonds or similar obligations of the City as the context requires.

"Bond Account" means the Series 2022 Bond Account created and designated as such pursuant to Section 18 hereof.

"Business Day" means any day other than a Saturday or Sunday or a day on which banks in Denver, Colorado are required or authorized to be closed.

"Capital Improvements" means the acquisition of land, easements, water rights, facilities, equipment and materials (other than ordinary repairs and replacements), and the construction, reconstruction or other acquisition of improvements, betterments and extensions, for use by or in connection with the System; including, without limitation, any of the foregoing which are constructed, reconstructed, acquired or owned on a cooperative basis with any other entities.

"Code" means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and applicable regulations and rulings thereunder.

"Escrow Agreement" means an agreement, in a form acceptable to the Director of Finance, the City Attorney and Bond Counsel, between the Escrow Bank and the City, providing for the application of a portion of the net proceeds of the Series 2022 Bonds to the refunding, payment and discharge of the refunded Series 2012 Bonds.

"Escrow Bank" means a bank or trust company, if any, designated by the Director of Finance to administer the Escrow Agreement.

"Event of Default" means any one or more of the events set forth in Section 26 hereof.

"Federal Securities" means (a) direct obligations of the United States for which its full faith and credit are pledged (or ownership interests in the same); or (b) obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or ownership interests in the same). No Federal Securities may be callable prior to their scheduled maturities by the issuer thereof.

"Final Terms Certificate" means the certificate to be executed by the Director of Finance, dated on or before the date of delivery of the Series 2022 Bonds, setting forth (a) the determination by the Director of Finance of the winning bid for the Series 2022 Bonds; (b) the rates of interest on the Series 2022 Bonds and the premium, if any, to be paid therefor pursuant to such winning bid; (c) the aggregate principal amount and principal amount of each maturity of the Series 2022 Bonds, if reduced as provided in Section 5(a) hereof, and any related reduction in the premium bid for the Series 2022 Bonds; (d) approving the form of the Escrow Agreement, if any, and (e) whether a Reserve Account is to be established in connection with the Series 2022 Bonds and the Minimum Reserve

amount, if any. The Final Terms Certificate shall be construed as if it were a part of this Ordinance, provided that all provisions of the Final Terms Certificate shall be subject to the parameters and restrictions contained in this Ordinance.

*"Generally Accepted Accounting Principles"* means accounting principles, methods and terminology followed and construed for utilities and enterprises of governmental units, as established by the Governmental Accounting Standards Board, as amended from time to time.

*"Improvement Project"* means the acquisition and construction of capital improvements, betterments, extensions and expansions of the System.

*"Letter of Representations"* means the Letter of Representations from the City to The Depository Trust Company, or any similar agreement with any successor to The Depository Trust Company, together with schedules thereto and materials referred to therein.

*"Maximum Debt Service Year"* means the single calendar year, during the term of the Series 2022 Bonds, in which there is the greatest amount of total combined debt service on the Series 2022 Bonds, Parity Obligations, Subordinate Obligations, Other Water Obligations, and the Parity Obligations or Subordinate Obligations proposed to be issued.

*"Minimum Reserve,"* to the extent that a Reserve Account is established by Final Terms Certificate in connection with the Series 2022 Bonds, means the amount, calculated as of the initial delivery of the Series 2022 Bonds, equal to the least of (a) 10% of the proceeds of the Series 2022 Bonds, (b) 100% of the maximum annual principal and interest to come due on the Series 2022 Bonds in any calendar year, or (c) 125% of the average annual principal and interest requirements on the Series 2022 Bonds; provided that such amount may be reduced to the maximum amount permitted to be capitalized by the issuance of tax-exempt obligations under applicable provisions of federal tax laws and regulations. The dollar amount of the Minimum Reserve may be recalculated and reduced, but not increased, from time to time by the City as necessary to apply the Minimum Reserve to the remaining debt service requirements of the Series 2022 Bonds; provided that the Minimum Reserve shall not be reduced to an amount less than the least of (a) 10% of the proceeds of the Series 2022 Bonds, (b) 100% of the maximum annual principal and interest to come due on the Series 2022 Bonds in any calendar year, or (c) 125% of the average annual principal and interest requirements on the Series 2022 Bonds. The Minimum Reserve amount may be satisfied by the deposit of a Surety Bond as provided in Section 20 hereof.

*"Net Revenues"* for any period means the Revenues during such period minus Operating Expenses during such period.

*"Operating Expenses"* means, for any particular period, all reasonable and necessary current expenses of the City, paid or accrued, for operating, maintaining, and repairing the System, but only if such charges are made in conformity with Generally Accepted Accounting Principles. Such Operating Expenses include, but are not limited to, expenses for ordinary repairs, renewals and replacements of the System, salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services,

materials and supplies, rents, administrative and general expenses, including legal and overhead expenses of the City directly related to the administration of the System, insurance expenses, legal, engineering, accounting, trustee, paying agent and financial advisory fees and expenses and costs of other consulting and technical services, taxes (except as set forth in the following sentence), payments in lieu of taxes and other governmental charges, payments to the United States Treasury pursuant to Section 148(f) of the Code or similar requirement to pay rebate, fuel costs, and any other current expenses or obligations required to be paid by the City by law, all to the extent properly allocable to the System. Operating Expenses do not include depreciation or obsolescence charges or reserves, amortization of intangibles or other bookkeeping entries of a similar nature, interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of the City, costs, or charges made therefor, for capital additions, replacements, betterments, extensions or improvements to or retirements from the System which under Generally Accepted Accounting Principles are properly chargeable to the capital account or the reserve for depreciation, and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the System nor such property items, including taxes and fuel, which are capitalized pursuant to the then existing accounting practice of the City.

“*Other Water Obligations*” means obligations (whether currently outstanding or hereafter issued) which are not secured by a pledge of or a lien on all or any part of the Revenues, but the debt service on which is required, under then current provisions of the Charter, to be taken into account in establishing water rates.

“*Outstanding*” or “*outstanding*” when used with reference to the Series 2022 Bonds (or any other designated bonds or similar obligations of the City) and as of any particular date, means all the Series 2022 Bonds (or such other bonds or similar obligations) theretofore duly issued except:

- (a) any Series 2022 Bond (or such other bonds or similar obligations) canceled or delivered to be canceled by the City, or on the City’s behalf, at or before such date;
- (b) any Series 2022 Bond (or such other bonds or similar obligations) deemed to have been paid within the meaning of Section 29 hereof (or of any corresponding section of the ordinance or other enactment authorizing the issuance of such other bond or obligation); and
- (c) any Series 2022 Bond (or such other bonds or similar obligations) in lieu of or in substitution for which another bond or obligation shall have been executed and delivered pursuant to Section 9 hereof (or of any corresponding section of the ordinance or other enactment authorizing the issuance of such other bond or obligation).

Notwithstanding the foregoing, any Bonds the principal of or interest on which have been paid by a bond insurer or similar entity shall be considered Outstanding to the extent such payment has not been reimbursed to such insurer or similar entity.

"Owner" or "Registered Owner" or "Bondholder" means any person who is the registered owner of any Bond as shown on the registration records kept by the Registrar. As further provided in Section 8 hereof, the initial Owner of the Series 2022 Bonds shall be Cede & Co. as nominee of The Depository Trust Company, the initial securities depository for the Series 2022 Bonds.

"Parity Obligations" means the Series 2012 Bonds, the Series 2014 Bonds, the Series 2016 Bonds, the Series 2018 Bonds and any additional bonds, notes, interim securities or other obligations hereafter issued by the City having a lien on all or any portion of the Net Revenues which is on a parity with the lien of the Series 2022 Bonds.

"Paying Agent" means Zions First National Bank in its capacity as the paying agent for the Series 2022 Bonds (or such other entity as may be appointed as a successor Paying Agent as provided in Section 31 hereof).

"Permitted Investments" means deposits or investments which are at the time legal deposits or investments for the City under applicable law.

"Purchaser" means the manager of the original purchasing account for the Series 2022 Bonds as determined by the Director of Finance based upon competitive bids received at the public sale of the Series 2022 Bonds as provided herein.

"Project" means, collectively, the Refunding Project and the Improvement Project.

"Project Account" means the Series 2022 Project Account created and designated as such pursuant to Section 17 hereof.

"Rebate Account" means the Series 2022 Rebate Account created and designated as such pursuant to Section 18 hereof.

"Record Date" means the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

"Refunding Escrow Account" means the Refunding Escrow Account created and designated as such pursuant to Section 17 hereof.

"Refunding Project" means the refunding, payment and discharge of all or substantially all of the callable maturities of the Series 2012 Bonds.

"Registrar" means Zions First National Bank in its capacity as the registrar and transfer agent for the Bonds (or such other entity as may be appointed as a successor Registrar as provided in Section 31 hereof).

"Reserve Account" means the Series 2022 Reserve Account, if any, created and designated by Final Terms Certificate as such pursuant to Section 18 hereof.

"Revenues" means all income and revenues directly or indirectly derived by the City from the operation and use of the System, or any part thereof, including, without limitation, any rates, fees (including plant investment fees), and charges for the services furnished



by, or the use of, the System, and all income attributable to any past or future dispositions of property or rights or related contracts, settlements, or judgments held or obtained in connection with the System or its operations, including investment income accruing from moneys held to the credit of the City's Water Fund and from moneys required to be paid into any fund or account pledged to the payment of the Series 2022 Bonds or Parity or Subordinate Obligations except to the extent otherwise provided in their respective authorizing proceedings; provided however, that there shall be excluded from Revenues any moneys borrowed and used for providing Capital Improvements; any moneys and securities, and investment income therefrom, in any escrow or similar account pledged to the payment of any refunded bonds or other legally defeased obligations; and any moneys received as grants or appropriations the use of which is limited or restricted by the grantor or donor to Capital Improvements or other purposes inconsistent with the inclusion of such moneys as Revenues.

"*Series 2012 Bonds*" means the City of Greeley, Colorado Water Revenue Bonds, Series 2012, issued on in the original aggregate principal amount of \$31,275,000.

"*Series 2022 Bonds*" means the City of Greeley, Colorado, Water Revenue Refunding and Improvement Bonds, Series 2022, authorized by this Ordinance.

"*System*" means all of the City's water facilities now owned or hereafter acquired, whether situated within or without the City boundaries, including all present or future improvements, extensions, enlargements, betterments, replacements or additions thereof or thereto.

"*Special Record Date*" means a special date fixed to determine the names and addresses of Owners for purposes of paying interest on a special interest payment date for the payment of defaulted interest.

"*State*" means the State of Colorado.

"*Subordinate Obligations*" means one or more additional bonds, notes, interim securities or other obligations, or series of any such obligations, issued by the City having a lien on all or any portion of the Net Revenues which is subordinate or junior to the lien of the Series 2022 Bonds.

"*Surety Bond*" means a Surety Bond as defined in Section 20 hereof, relating to the Reserve Account.

"*Water Fund*" means the existing Water Fund of the City, into which all Revenues are directed to be deposited as provided in Section 18 hereof.

**Section 3. Ratification.** All action (not inconsistent with the provisions of this Ordinance) heretofore taken by the City and the officers, employees and agents of the City directed toward the Project or the sale and delivery of the Series 2022 Bonds is hereby ratified, approved and confirmed.

**Section 4. Authorization.** In accordance with the Charter and Article XX of the Constitution of the State, and all other laws thereunto enabling, the Council, on behalf

of the City, acting by and through the System as an enterprise, hereby authorizes the issuance of the Series 2022 Bonds in an aggregate principal amount not to exceed \$77,500,000 for the purpose of providing funds to finance the Project, including payment of costs of issuance of the Series 2022 Bonds as provided herein.

**Section 5. Series 2022 Bond Details.**

(a) The Series 2022 Bonds shall be issued only in fully registered form (i.e., registered as to payment of both principal and interest) in denominations of \$5,000 and integral multiples thereof (and further provided that no Series 2022 Bond may be in a denomination which exceeds the principal coming due on the same maturity date and no individual Series 2022 Bond may be issued for more than one maturity). The Series 2022 Bonds shall be dated their date of issuance. The Series 2022 Bonds shall be numbered in such manner as the Registrar shall determine. The Series 2022 Bonds shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) from their date to maturity or prior redemption per annum as determined by the Director of Finance as certified in the Final Terms Certificate (which shall be market rates determined upon competitive bidding) at a net effective interest rate not to exceed 4.00%, payable on February 1 and August 1 in each year commencing not later than August 1, 2022, except that Series 2022 Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the interest rates shown below from the most recent interest payment date to which interest has been paid, or if no interest has been paid, from the date of the Series 2022 Bonds. The Series 2022 Bonds shall mature serially on August 1 of each year commencing not later than August 1, 2022, with the final maturity thereof not later than August 1, 2042. For purposes of this Ordinance, in the event that any Series 2022 Bonds are issued as term bonds, the annual sinking fund installments in connection with such term bonds shall be treated as serial bond payments.

(b) The principal of any Series 2022 Bond shall be payable to the Owner thereof as shown on the registration records kept by the Registrar upon maturity thereof or prior redemption and upon presentation and surrender at the office of the Paying Agent. If the principal of any Series 2022 Bond shall not be paid upon such presentation and surrender at or after maturity or prior redemption, interest thereon shall continue to accrue at the interest rate borne by said Series 2022 Bond until the principal thereof is paid in full. Payment of interest on any Series 2022 Bond shall be made to the Owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the Owner thereof at such Owner's address as it last appears on the registration records kept by the Registrar on the Record Date; but any such interest not so timely paid shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date and the date fixed for the payment of the defaulted interest shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice shall be given to the Owners of the Series 2022 Bonds not less than 10 days prior to the Special Record Date by first-class mail to each such Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the

date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Series 2022 Bond by such alternative means as may be mutually agreed to between the Owner of such Series 2022 Bond and the Paying Agent (provided, however, that the City will not be required to make funds available to the Paying Agent prior to one business day preceding the interest payment dates stated herein). All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

#### Section 6. Prior Redemption.

(a) **Optional Redemption of the Series 2022 Bonds.** Unless otherwise provided by Final Terms Certificate, the Series 2022 Bonds maturing on and after August 1, 2033 shall be subject to redemption prior to their respective maturities, at the option of the City, on and after August 1, 2032, in whole or in part (if in part, in integral multiples of \$5,000, from any maturity or maturities or portions thereof as selected by the City and by lot within a maturity, giving proportionate weight to Series 2022 Bonds in denominations larger than \$5,000, in such manner as the Registrar shall determine), at a redemption price equal to the principal amount of each Series 2022 Bond or portion thereof so redeemed plus accrued interest thereon to the redemption date, without redemption premium. The City shall give written instructions concerning any such optional prior redemption to the Registrar at least 40 days prior to such redemption date (unless the Registrar agrees to accept such instructions at a later time). Such instructions to the Registrar may be made revocable by the City (except that such instructions must be made irrevocable in order to effect defeasance pursuant to Section 29 hereof).

(b) **Redemption of Less Than all Series 2022 Bonds.** In the case of Series 2022 Bonds of a denomination larger than \$5,000, each \$5,000 of principal shall be treated as a separate Series 2022 Bond for purposes of determining which Series 2022 Bonds of a particular maturity are to be redeemed on a particular redemption date pursuant to paragraph (a) or (b) of this Section. If less than all of the principal amount of any Series 2022 Bond is redeemed, the Registrar shall, without charge to the Owner of such Series 2022 Bond, authenticate and issue a replacement Series 2022 Bond or Bonds for the unredeemed portion thereof.

(c) **Notice and Effect of Redemption.** Notice of any prior redemption under paragraph (a) or (b) of this Section shall be given by the Registrar in the name of the City by sending a copy of such notice, by first-class, postage prepaid mail or electronic means, not less than 30 days nor more than 60 days prior to the redemption date, to each Owner of any Series 2022 Bond all or a portion of which is called for prior redemption at such Owner's address as it last appears on the registration records kept by the Registrar. Failure to give such notice to the Owner of any Series 2022 Bond shall not affect the validity of the proceedings for the redemption of any other Bonds. Such notice shall specify the Series 2022 Bonds or portions thereof to be redeemed (if less than all are to be redeemed), and the date fixed for redemption, and shall further state that on such redemption date the principal due in connection with such redemption will become due and payable at the office of the Paying Agent, and that from and after such date interest on Series 2022 Bonds to be redeemed will cease to accrue. Accrued interest to the redemption date will be paid by check or draft mailed or wired to the Owner (or by

alternative means if so agreed to by the Paying Agent and the Owner). Notice having been given in the manner provided in this paragraph, the Series 2022 Bonds so called for redemption shall become due and payable on the redemption date so designated, and interest on such Series 2022 Bonds shall cease to accrue; and upon presentation thereof at the Paying Agent, the City shall pay the Series 2022 Bond or Bonds so called for redemption. All provisions of this Section as to notices, selection of Bonds or portions thereof to be redeemed, and other procedural provisions of this Section shall be subject to applicable procedures of the book-entry system provided for in Section 8 hereof.

#### Section 7. Execution and Authentication.

(a) The Series 2022 Bonds shall be executed in the name of and on behalf of the City and shall be signed by the Mayor of the City, shall be sealed with a manual or facsimile impression of the seal of the city, and shall be attested by the City Clerk. The signatures of the Mayor and the City Clerk on the Series 2022 Bonds may be manual or by facsimile. The Series 2022 Bonds bearing the manual or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the City (subject to the requirement of authentication by the Registrar as hereinafter provided) notwithstanding that before the delivery thereof, or before the issuance thereof upon transfer or exchange, any or all of the persons whose manual or facsimile signatures appear thereon shall have ceased to fill their respective offices. The Mayor and the City Clerk shall, by the execution of a certificate pertaining to the Series 2022 Bonds, adopt as and for their respective signatures any facsimiles thereof appearing on the Series 2022 Bonds. At the time of the execution of such certificate, the Mayor and the City Clerk may each adopt as and for their respective facsimile signatures the facsimile signature of their respective predecessors in office in the event that such facsimile signature appears upon any of the Series 2022 Bonds.

(b) No Series 2022 Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form provided in Exhibit A hereto, has been duly executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by a duly authorized representative of the Registrar, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any Series 2022 Bonds pursuant to this Ordinance, the Registrar and the Paying Agent shall be deemed to have assented to the provisions of, and to have agreed to abide by and perform the duties assigned to them in, this Ordinance.

Section 8. Book-Entry System. Notwithstanding any other provision hereof, and except to the extent otherwise, the Series 2022 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2022 Bond for each of the maturities set forth in Section 5 hereof or identified in any term bond designation permitted hereby. Upon initial issuance the ownership of each Series 2022 Bond shall be registered in the registration records kept by the Registrar in the name of Cede & Co. ("Cede"), as nominee of The Depository Trust Company (including its successors and assigns, "DTC"), which is hereby designated as the initial securities depository for the Series 2022 Bonds under the DTC book-entry system, which book-entry system is hereby authorized and agreed to by the City. The execution and delivery of the Representation Letter from the

City to DTC, relating to such book-entry system, is hereby authorized (or, if a previously executed and delivered Representation Letter applies to the Series 2022 Bonds, such execution and delivery is hereby ratified and confirmed). Notwithstanding any other provision hereof to the contrary, so long as any Series 2022 Bond is registered in the name of Cede, as nominee of DTC, all payments and all notices with respect to such Series 2022 Bond shall be made and given, respectively, in the manner provided in such Representation Letter.

**Section 9. Registration, Transfer and Exchange.** Subject to the provisions of Sections 5 and 8 hereof:

(a) Records for the registration and transfer of the Series 2022 Bonds shall be kept by the Registrar, which is hereby appointed by the City as registrar (i.e., transfer agent) for the Series 2022 Bonds. Upon the surrender for transfer of any Bond at the office of the Registrar, duly endorsed for transfer or accompanied by an assignment or written instrument of transfer in form satisfactory to the Registrar and duly executed by the Owner or the Owner's attorney duly authorized in writing, the Registrar shall enter such transfer on the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Series 2022 Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. Series 2022 Bonds may be exchanged at the office of the Registrar for an equal aggregate principal amount of Series 2022 Bonds of the same maturity of other authorized denominations. The Registrar shall authenticate and deliver a Series 2022 Bond or Bonds which the Owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with such exchanges and transfers of Series 2022 Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such exchange or transfer) shall be paid by the Owner requesting such exchange or transfer.

(b) The Registrar shall not be required to transfer or exchange (i) all or any portion of any Series 2022 Bond subject to prior redemption during the period beginning at the opening of business 15 days before the day of the sending by the Registrar of notice calling any Series 2022 Bonds for prior redemption as herein provided and ending at the close of business on the day of such sending; or (ii) all or any portion of a Series 2022 Bond after the mailing or sending of notice calling such Series 2022 Bond or any portion thereof for prior redemption.

(c) Except as otherwise provided with respect to payment of interest pursuant to Section 5 hereof, and except as otherwise provided in Sections 29 and 33 hereof, the person in whose name any Series 2022 Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes. Payment of or on account of principal or interest on any Series 2022 Bond shall be made only to or upon the written order of the Owner thereof or such Owner's legal representative, but such registration may be changed upon transfer of such Series 2022 Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid

and effectual to discharge the liability upon such Series 2022 Bond to the extent of the sum or sums so paid.

(d) If any Series 2022 Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the City may reasonably require, authenticate and deliver a replacement Series 2022 Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for redemption, or is about to mature or be called for redemption, the Registrar may direct that such Series 2022 Bond be paid by the Paying Agent in lieu of replacement. The Registrar and the City may require that the Owner of any such Bond pay their reasonable fees, charges and expenses relating to their activities pursuant to this paragraph.

(e) The officers of the City are authorized to deliver to the Registrar fully executed but unauthenticated Series 2022 Bonds in such quantities as may be convenient to be held in custody by the Registrar pending use as herein provided.

(f) Whenever any Series 2022 Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Series 2022 Bond shall be promptly canceled and destroyed by the Paying Agent or Registrar, and a record of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

**Section 10. Negotiability.** Subject to the registration provisions hereof, the Series 2022 Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Colorado Uniform Commercial Code. The principal of and interest on the Series 2022 Bonds shall be paid, and the Series 2022 Bonds shall be transferable, free from and without regard to any equities between the City and the original or any intermediate Owner of any Series 2022 Bonds or any setoffs or cross-claims.

**Section 11. Form of Series 2022 Bonds.** The Series 2022 Bonds shall be in substantially the form set forth in Exhibit A hereto, with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, or as may be necessary or appropriate to carry out the purposes of this Ordinance or to conform to the rules and requirements of any governmental authority, of DTC (or any substitute securities depository as provided herein), or any applicable usage or requirement of law (including, without limiting the generality of the foregoing, such modifications and additions as may be necessary or appropriate to conform to the provisions of second reading amendments to this Ordinance and the completed Exhibits hereto).

**Section 12. Series 2022 Bonds Equally Secured.** The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Owners of any and all of the Series 2022 Outstanding Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank

without preference, priority or distinction, except as otherwise expressly provided in or pursuant to this Ordinance.

**Section 13. Pledge of Net Revenues; Special Obligations.**

(a) The City hereby irrevocably pledges the Net Revenues and moneys in the Bond Account, on the terms provided herein, for the payment of the principal of and interest on the Series 2022 Bonds, and for payment of Surety Bond Costs, if any, with respect to the Reserve Account as provided in Sections 18(b)(SECOND) and 20 hereof. Such pledge shall create an irrevocable and first lien (but not necessarily an exclusively first lien) on the Net Revenues, on a parity with the lien of Parity Obligations currently Outstanding (and possibly on a parity with the lien of other Parity Obligations which may be issued in the future as provided in Section 25 hereof). This pledge shall be valid and binding from and after the date of the first delivery of the Series 2022 Bonds, and the Net Revenues, as received by the City, shall immediately be subject to the lien of this pledge without any physical delivery thereof or any filing or further act. Net Revenues in amounts sufficient to make all of the payments to the Bond Account and the Rebate Account and for any reimbursement of Surety Bond Payments and payment of related Surety Bond Costs as required under Section 20 hereof are hereby appropriated for said purposes, and said amounts for each year shall be included in the annual budget and appropriation ordinances or measures to be adopted or passed by the Council in each year respectively until the Series 2022 Bonds have been paid in full or otherwise discharged as herein provided.

(b) The Series 2022 Bonds shall be special, limited obligations of the City, payable and collectible solely out of Net Revenues and moneys in the Bond Account as provided herein. The Series 2022 Bonds shall not constitute a debt or an indebtedness of the City, Weld County, the State or any political subdivision of the State within the meaning of the Charter or any constitutional or statutory provision or limitation, and are not secured by the full faith and credit of the City or by any taxing power of the City or any other government; nor shall the Series 2022 Bonds constitute a multiple-fiscal year direct or indirect debt or other financial obligation within the meaning of Article X, Section 20 of the Colorado Constitution; nor shall such obligations be considered or held to be general obligations of the City; rather, such obligations shall be payable only from the Net Revenues of the System. The Owners of the Series 2022 Bonds may not look to any general fund of the City for the payment of the Series 2022 Bonds, nor do the Owners of the Series 2022 Bonds have any right to require or compel the exercise of the ad valorem property taxing power or any other taxing power of the City or of any other taxing entity for payment of the Series 2022 Bonds.

(c) None of the covenants, agreements, representations and warranties contained herein or in the Series 2022 Bonds shall ever impose or be construed as imposing any liability, obligation or charge against the City (except to the extent of the Net Revenues and the moneys in the Bond Account pledged pursuant to paragraph (a) of this Section) or its general credit; nor shall the Series 2022 Bonds be payable out of any general fund of the City, or any funds derived from taxation, or any funds other than the Net Revenues. The payment of the Series 2022 Bonds is not secured by any

encumbrance, mortgage or other pledge of any property, except the Net Revenues and the moneys in the Bond Account as provided herein.

**Section 14. Preliminary Official Statement; Official Statement.** The proposed form of Preliminary Official Statement of the City relating to the issuance and sale of the Series 2022 Bonds has been presented to the meeting of the Council at which this Ordinance is approved on first introduction, and is on file in the office of the City Clerk. The Preliminary Official Statement, in substantially the form so presented with such additional changes as are made prior to final passage of this Ordinance, is hereby deemed by the City to be a "nearly final official statement" for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The distribution and use by the Purchaser for the reoffering of the Series 2022 Bonds to the public of the final Official Statement (the "Official Statement"), in substantially the form of the Preliminary Official Statement, but with such amendments, additions and deletions as are consistent with the facts, as are not inconsistent herewith and as are approved by the Mayor as evidenced by the Mayor's execution of the Official Statement, is hereby authorized and approved, and the Mayor is authorized to sign the final Official Statement on behalf of the City.

**Section 15. Delegated Duties.** Pursuant to the Supplemental Public Securities Act, part 2 of article 57 of title 11, Colorado Revised Statutes ("C.R.S."), as amended (the "Supplemental Act"), as well as the City's powers as a home rule municipality under article XX of the Colorado Constitution, and in order to provide for the sale of the Series 2022 Bonds expeditiously and to the best financial advantage of the City, the Council hereby delegates to the Director of Finance the power and duty to determine and accept the winning bid for the Series 2022 Bonds, and to determine and approve the final aggregate principal amount, annual principal maturities, mandatory sinking fund redemption provisions and schedules, if any, interest rates, and purchase price (i.e., premium, if any) of the Series 2022 Bonds, which determinations and approvals shall be consistent with the provisions of the Charter and with the parameters and restrictions of this Ordinance, and which determinations and approvals shall be evidenced by the execution by the Director of Finance of the Final Terms Certificate. Pursuant to Section 5-23(a) of the Charter, the Director of Finance shall determine that the interest rate for the Series 2022 Bonds does not exceed the market rate. Pursuant to Section 5-23(b) of the Charter, the purchase price for the Series 2022 Bonds shall not be less than their par value. As provided in Section 11-57-205, C.R.S., as amended, the delegations of authority provided in this Section 15 shall be effective for one year from the final adoption of this ordinance, and if the Series 2022 Bonds are not sold within such one-year period, the Series 2022 Bonds may not be sold without additional Council authorization (which authorization, together with other provisions supplemental to this Ordinance, may be by resolution adopted by the Council). The City hereby elects, pursuant to Section 11-57-204, C.R.S., to apply such portions of the Supplemental Act as are relevant to and not inconsistent with the provisions of this Ordinance, including without limitation Sections 11-57-205, 11-57-206, 11-57-207, 11-57-208, 11-57-209, 11-57-210 and 11-57-212, C.R.S., as amended. The delegations provided for in Section 3(b)(vi) shall be in addition to the delegations to City officers provided for in other provisions of this Ordinance.

The officers, employees and agents of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance,



including, without limiting the generality of the foregoing, the preparation and delivery of the Series 2022 Bonds, such action as shall be necessary or desirable to maintain the tax-exempt status of the Series 2022 Bonds, the entering into and execution of an Escrow Agreement, if any, the entering into and execution of appropriate agreements and such other actions as are necessary or appropriate with respect to the any Surety Bond, the entering into and execution of appropriate agreements as to the City's continuing disclosure undertaking, the entering into and execution of appropriate agreements as to the book-entry system for the Series 2022 Bonds, the entering into and execution of a paying agent and registrar agreement, if any, concerning the services and compensation of the Paying Agent and Registrar, the execution of such certificates as may be required by the Purchaser, including without limitation certificates relating to the signing of the Series 2022 Bonds, the tenure and identity of municipal officials, the delivery of the Series 2022 Bonds and receipt of the purchase price therefor, the tax exempt status of the Series 2022 Bonds, the accuracy and completeness of the Official Statement, and relevant pending or threatened litigation or the absence thereof. Any officer of the City designated as "Acting" may take any action authorized or directed by this Ordinance (including, without limitation, execution or authentication of the Series 2022 Bonds) under the title of such officer's office, with or without notation of the "Acting" designation. Without limiting the generality of the foregoing, in the absence, unavailability or disability of any officer of the City authorized or directed to take any action pursuant to this Ordinance (including, without limitation, execution or authentication of the Series 2022 Bonds or execution of any other document, instrument or certificate), such action may be taken by an officer designated as "pro tem" or "Acting" for such office, or by any deputy or assistant for such office.

**Section 16. Delivery of Series 2022 Bonds.** When the Series 2022 Bonds have been duly executed and authenticated, they shall be delivered to the Purchaser on receipt of the agreed purchase price. The funds realized from the sale of the Series 2022 Bonds shall be applied solely for the purposes set forth in Section 17 hereof and for no other purposes whatsoever. Neither the Purchaser nor any subsequent Owner of any of the Series 2022 Bonds shall be responsible for the application or disposal by the City, or any of its officers or employees, of any such funds.

**Section 17. Disposition of Series 2022 Bond Proceeds.** The proceeds derived from the sale of the Bonds, upon the receipt thereof, shall immediately be deposited and accounted for in the following order of priority:

(a) There shall be deposited into the Bond Account and applied to the payment of interest on the Series 2022 Bonds (a) all accrued interest on the Series 2022 Bonds, if any and (b) any other available funds, to the extent not deposited into the Project Account and as directed by the Director of Finance;

(b) A portion of the proceeds of the Series 2022 Bonds shall be deposited in a special account hereby created in the Water Fund to be designated as the City of Greeley, Water Revenue Refunding and Improvement Bonds, Series 2022, Project Account (the "Project Account"), to pay costs of the Improvement Project (after reimbursing the Water Fund for costs of the Improvement Project previously paid from the Water Fund, and payment of premiums for any Surety Bond and other costs of issuance

of the Series 2022 Bonds and other incidental costs necessary or appropriate in connection with the Improvement Project and the financing thereof). Moneys in the Project Account, and interest or investment income thereon, are not included in the Revenues and do not constitute security for the Series 2022 Bonds;

(c) The remaining proceeds of the Series 2022 Bonds shall be deposited, to the extent not used immediately to redeem the Series 2012 Bonds, in a special account hereby created in the Water Fund to be designated as the City of Greeley, Water Revenue Refunding and Improvement Bonds, Series 2022, Refunding Escrow Account (the "Refunding Escrow Account"), to pay costs of the Refunding Project (after reimbursing the Water Fund for costs of the Refunding Project previously paid from the Water Fund, and payment of premiums for any Surety Bond and other costs of issuance of the Series 2022 Bonds and other incidental costs necessary or appropriate in connection with the Refunding Project and the financing thereof). Moneys in the Refunding Escrow Account, and interest or investment income thereon, are not included in the Revenues and do not constitute security for the Series 2022 Bonds; and

(d) Moneys and investments in the Project Account and the Refunding Escrow Account shall be held and applied by the City and the Escrow Bank, respectively to the Improvement Project and the Refunding Project, respectively. Upon completion of the Project, the balance of moneys in the Project Account, if any, shall be transferred to the Bond Account.

#### Section 18. Flow of Funds.

(a) The City hereby creates the following special accounts within the Water Fund:

- (i) the "Series 2022 Rebate Account" (the "Rebate Account");
- (ii) the "Series 2022 Bond Account" (the "Bond Account");
- (iii) the Project Account; and

(iv) to the extent provided by Final Terms Certificate, the "Series 2022 Reserve Account" (the "Reserve Account").

(b) The City shall credit to the Water Fund all Revenues immediately upon receipt. The Revenues shall be applied, on or before the last day of each month, first to the payment of Operating Expenses as they become due and payable, including payments to the Rebate Account as required by Section 23 hereof. After such payments, the City shall apply the remaining moneys (i.e., the Net Revenues) in the following order of priority:

FIRST, to the credit of the Bond Account in the amounts and at the times required by Section 19 hereof; and concurrently, to the credit of Bond Accounts associated with all Parity Bonds, and any similar fund or account (including any sinking fund) hereafter created for the payment of other Parity Obligations, in the amounts and at the times required in connection with such Parity Obligations;

SECOND, to the Surety Bond issuer, if any, to the extent required to reimburse any Surety Bond Payments and to pay other Surety Bond Costs in the amounts and at the times required by Section 20 hereof, and concurrently, to the credit of any reserve or similar fund or account hereafter created to secure other Parity Obligations (or for repayment pursuant to any insurance policy, surety bond, letter or line of credit, or similar credit facility utilized in lieu of such fund or account), in the amounts and at the times required in connection with such Parity Obligations;

THIRD, to the credit of any other funds or accounts hereafter established for the payment of the principal of, premium, if any, and interest on any Subordinate Obligations, including any sinking fund, reserve fund or similar fund or account established therefor, in the amounts and at the times required by the ordinance or other enactment authorizing the issuance of such Subordinate Obligations; and

FOURTH, to the credit of any other fund or account as may be designated by the City, to be used for any lawful purpose (which may include, without limitation, the payment of debt service on the Other Water Obligations).

**Section 19. Bond Account.** The City shall credit to the Bond Account from the Net Revenues, the following amounts at the following times:

(a) monthly, commencing on the last day of the month immediately succeeding the delivery of the Series 2022 Bonds, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the interest due and payable on the Outstanding Series 2022 Bonds on the next succeeding interest payment date; and

(b) monthly, commencing on the last day of the month immediately succeeding the delivery of the Series 2022 Bonds, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the principal due and payable on the Outstanding Series 2022 Bonds on the next succeeding principal payment date.

Net Revenues sufficient to make payments of principal and interest due on the Series 2022 Bonds shall be deposited with the Paying Agent not later than the Business Day prior to the payment date.

The Bond Account shall secure only the Series 2022 Bonds and not any Parity or Subordinate Obligations.

**Section 20. Reserve Account; Surety Bond and Reimbursements.**

(a) To the extent provided by Final Terms Certificate, the Reserve Account shall be maintained by the City in an amount equal to the Minimum Reserve as a continuing reserve to be used to prevent deficiencies in the payment of the principal of and interest on the Series 2022 Bonds resulting from the failure to credit to the Bond Account sufficient funds to pay such principal and interest as the same become due. The Reserve Account,

if any, shall secure only the Series 2022 Bonds and not any Parity or Subordinate Obligations.

(b) Notwithstanding the provisions of paragraph (a) of this Section or any other provision of this Ordinance, all requirements of this Ordinance concerning moneys to be held in or paid into the Reserve Account may be met through utilization of a Surety Bond. "Surety Bond" means the surety bond issued by an insurance company or financial institution selected by the Director of Finance, giving due regard and making findings with respect to the economies to the City of utilizing a Surety Bond and the lack of adverse effects thereof on the ratings of the Series 2022 Bonds, by Final Terms Certificate, guaranteeing certain payments into the Reserve Account with respect to the Series 2022 Bonds as provided therein and subject to the limitations set forth therein. The Surety Bond shall be in an aggregate principal amount at least equal to the Minimum Reserve and shall be held by the Paying Agent in a separate account to be designated the Series 2022 Bond Reserve Account which shall be deemed a part of the Reserve Account. By accepting delivery of the Surety Bond, the Paying Agent shall be deemed to agree to perform all duties required of a paying agent with respect to the Surety Bond.

(c) As long as the Surety Bond shall be in full force and effect, the City and the Paying Agent agree to comply with the following provisions:

(i) Pursuant to the terms of the Surety Bond, the amount of such payment by the Surety Bond issuer ("Surety Bond Payment") is to be equal to the Debt Service Payment less (1) that portion of the Debt Service Payment paid by the City, and (2) other funds legally available to the Paying Agent for payment to the Owners, all as certified by the Paying Agent.

(ii) The City and the Paying Agent shall, after submitting to the Surety Bond issuer a demand for payment as provided in paragraph (i) above, make available to the Surety Bond issuer all records relating to the funds and accounts maintained under this Ordinance.

(iii) The Paying Agent shall, upon receipt of moneys received from the draw on the Surety Bond, as specified in the Demand for Payment, either credit the Bond Account to the extent of moneys received pursuant to such Demand or apply such moneys directly to payment of the Series 2022 Bonds.

(iv) The Reserve Account shall be deemed replenished by the City's reimbursement to the Surety Bond issuer of principal, interest and the Surety Bond issuer's reasonable expenses in connection with such Surety Bond Payment, as further provided in paragraph (d) of this Section (collectively, the "Surety Bond Costs"). The City's obligation to pay such Surety Bond Costs shall be limited to Net Revenues and shall be made in the order of priority set forth in Section 18(b)(SECOND) hereof. The Surety Bond issuer shall cooperate in advising the City from time to time of the amount of Surety Bond Costs, if any, then due and owing, and if the City fails to reimburse the Surety Bond issuer within 30 days after receipt of an itemized statement pursuant to Section 20(c)(ii), interest shall be computed

on such amount from the date of any payment made by the Surety Bond issuer at the rate set forth in the Surety Bond or the commitment therefor.

(d) This Ordinance shall not be discharged pursuant to Section 29 hereof until all Surety Bond Costs due and owing to the Surety Bond issuer shall have been paid in full. The City's obligation to pay such amounts shall survive payment in full of the Series 2022 Bonds.

**Section 21. General Administration of Funds and Accounts.**

(a) The Water Fund, the Rebate Account, the Bond Account, the Reserve Account, if any, and the Project Account shall be held in the custody of the City. Each periodic payment shall be credited to the proper fund or account not later than the date designated therefor, 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 succeeding Business Day.

(b) Securities or obligations purchased as an investment of moneys in the Water Fund or in any account thereof created by this Ordinance shall be deemed at all times to be a part of such Fund or account, except to the extent otherwise provided herein. Moneys in the Water Fund, the Rebate Account, the Bond Account and the Project Account not immediately needed may be deposited or invested and reinvested by the City in deposits or investments which are at the time Permitted Investments, subject to the provisions of this Section and Section 23 hereof. Interest and any profit realized or any loss resulting from investments in the Water Fund and the Bond Account shall be credited or charged to each such Fund or account, respectively (provided that interest or profit realized from investments in the Bond Account shall be deemed credited to the Water Fund for accounting purposes, subject to immediate transfer back to the Bond Account). Interest and profit realized and any loss resulting from investments in the Rebate Account shall be credited or charged to such account, except to the extent otherwise provided in Section 23 hereof.

(c) No payment need be made into the Bond Account if the amounts in the Bond Account total a sum at least equal to the entire amount of the Outstanding Series 2022 Bonds, as to all debt service requirements (both accrued and unaccrued) to their respective maturities or to any redemption date or redemption dates on which the City shall have exercised or shall have obligated itself to exercise its redemption option; in which case moneys in the Bond Account in an amount at least equal to such debt service requirements shall be used solely to pay such debt service requirements as the same become due; and any moneys in excess thereof in the Bond Account may be withdrawn and used for any lawful purpose, and thereafter nothing herein shall preclude the use of any other moneys derived from the Net Revenues for any lawful purpose, as determined by the City.

(d) Neither the City nor any officer or employee of the City shall be liable or responsible for any loss resulting from any investment or reinvestment made in accordance with this Ordinance.

(e) The moneys in any fund or account herein authorized shall consist of lawful money of the United States or Permitted Investments or both such money and such Permitted Investments. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of a commercial bank, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

(f) Nothing herein prevents the accumulation in any fund or account herein designated of any money at a faster rate than the rate or minimum rate, as the case may be, provided therefor.

**Section 22. Rates and Charges.** The City covenants that it shall establish and collect rates and charges for the use or the sale of the products and services of the System, which together with other moneys available therefor (exclusive of any unappropriated fund balances), are expected to produce Revenues for each calendar year which will be at least sufficient for such calendar year to pay the sum of:

(a) all amounts estimated to be required to pay Operating Expenses during such calendar year;

(b) a sum equal to 110% of the debt service due on the Series 2022 Bonds for such calendar year and debt service coming due during such calendar year on the Parity Obligations, in each case computed as of the beginning of such calendar year;

(c) any Surety Bond Costs (as defined in Section 20 hereof) due and owing with respect to the Surety Bond, any amounts due and owing with respect to the reserve policies or amounts to be paid into any debt service reserve fund or account for other Parity Obligations (or other amounts due and owing pursuant to any insurance policy, surety bond, letter or line of credit, or similar credit facility utilized in lieu of such fund or account);

(d) a sum equal to the debt service on the Other Water Obligations and any Subordinate Obligations for such calendar year computed as of the beginning of such calendar year; and

(e) amounts necessary to pay and discharge all charges and liens on the System currently coming due and required to be paid out of the Revenues during such calendar year.

In the event that Revenues collected during a calendar year are not sufficient to meet the requirements of the rate covenant set forth above in this Section, the City shall, within 90 days of the end of such calendar year, cause an independent firm of accountants or consulting engineers, to prepare a rate study for the purpose of recommending a schedule of rates, fees and charges for the use of the System which in the opinion of the firm conducting the study will be sufficient to provide Revenues to be collected in the next succeeding calendar year which will provide compliance with said rate covenant. The City shall within six months of receipt of such study, adopt rates, fees and charges for the use of the System, based upon the recommendations contained in such study, which provide compliance with said rate covenant.

**Section 23. Tax Covenants and Rebate Account.**

(a) The City covenants for the benefit of the Owners of the Bonds that the City will not take or direct any action or omit to take or direct any action with respect to the Project, the System, the Series 2022 Bonds, the proceeds thereof, or any other funds of the City if such action or omission (i) would cause the interest on the Series 2022 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code; (ii) would cause interest on the Series 2022 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income; (iii) would subject the City to any penalties under Section 148 of the Code; or (iv) would cause interest on the Series 2022 Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The City further covenants, represents and warrants that the procedures set forth in any certificate signed by an officer of the City implementing the above covenant shall be complied with to the extent necessary to maintain the exemption of interest on the Series 2022 Bonds from federal income taxation or to avoid the application of any penalties under the Code (except to the extent noted in the foregoing provisions of this paragraph). All of the covenants contained in this Section shall remain in full force and effect, notwithstanding the payment in full or other defeasance of any of the Series 2022 Bonds, until all obligations of the City in fulfilling such covenants have been met.

(b) All of the amounts on deposit in the Water Fund or in any fund or account created under this Ordinance, and all amounts pledged to the payment of the Series 2022 Bonds, shall be invested in compliance with the requirements of Section 23(a). Amounts on deposit in the Rebate Account shall be treated as committed for Operating Expenses, and shall not be subject to the lien and pledge of this Ordinance, to the extent that such amounts are required to be paid to the United States Treasury.

(c) The City shall withdraw from the Water Fund for deposit into the Rebate Account, as Operating Expenses, amounts required to be deposited into the Rebate Account from time to time. The City shall cause amounts on deposit in the Rebate Account to be forwarded to the United States Treasury at the times and in the amounts and manner set forth in the certificate implementing the covenants of this Section. Upon receipt of an opinion of nationally recognized bond counsel that the balance in the Rebate Account is in excess of the amount required by Section 23(a) to be included therein, such excess shall be transferred to the Bond Account.

**Section 24. Additional Covenants and Agreements.** The City hereby further irrevocably covenants and agrees with each and every Owner that so long as any of the Series 2022 Bonds remain Outstanding:

(a) The City shall, in accordance with prudent water utility practice (i) at all times operate, manage and maintain the System and the properties thereof and any business in connection therewith in an efficient and economical manner; (ii) maintain the System in good repair, working order and operating condition; (iii) from time to time make

all necessary and proper repairs, renewals, replacement, additions, betterments and improvements with respect to the System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted; provided, however, that this covenant shall not be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System or from receipts of the System which are not pledged hereunder, and provided further that nothing in this Ordinance shall be construed as preventing the City from doing so.

(b) The rates, connection or other fees, or other tolls or charges for the services furnished by, or for the use of, the System or any part, products or facilities thereof, within or without the boundaries of the City, shall be reasonable and just, taking into account and consideration the cost and value of the System, the proper and necessary allowances for depreciation and the amounts necessary to comply with Section 22 hereof, including the payment of debt service on the Series 2022 Bonds, Parity Obligations, Subordinate Obligations and Other Water Obligations.

(c) The City shall not sell or alienate any of the property constituting any part or all of the System in any manner or to any extent that would materially adversely affect the security provided for the payment of the Series 2022 Bonds unless such property has been replaced by other similar property of at least equal value or has ceased to be necessary for the efficient operation of the System; provided, however, that the proceeds of any such sale of property shall be included in Revenues and shall be deposited into the Water Fund. Nothing in this Ordinance shall be construed to adversely affect security interests in System properties granted prior to delivery of the Series 2022 Bonds.

(d) The City shall promptly render bills for services furnished by, or the use of, the System or any part, products or facilities thereof, shall use all legal means to assure prompt payment thereof, shall take such action as may be necessary to make delinquent rates, connection or other fees, or other tolls or charges for the services furnished by, or the use of, the System or any part, products or facilities thereof, a lien upon the real property served, and to the extent permitted by law, shall discontinue service to any user who becomes delinquent in the payment of such charges until the delinquency and all interest, costs and expenses incident thereto have been paid in full. Subject to the requirements of the City's rate covenant in Section 22 hereof, this Ordinance shall not be construed to prohibit the City from providing service without charge to City-owned property open to use by the public, nor from negotiating reasonable settlements of delinquent accounts.

(e) The City shall keep accurate records and accounts for the System, separate and distinct from its other records and accounts, in such manner that the Revenues and the Net Revenues may at all times be readily and accurately determined. Such System records shall be maintained in accordance with Generally Accepted Accounting Principles and shall be audited annually by an independent accountant, which audit may be part of the annual audit of the general records and accounts of the City.



(f) The City shall maintain or cause to be maintained in force insurance policies with responsible insurers or self-insurance programs providing against risk of direct physical loss, damage or destruction of the System, at least to the extent that similar insurance is usually carried by utilities constructing, operating and maintaining water system facilities of the nature of the System, including liability coverage, all to the extent available at reasonable cost. Nothing herein shall be deemed to preclude the City from asserting against any party a defense which may be available to the City, including, without limitation, a defense of sovereign immunity.

**Section 25. Additional Bonds.** Nothing in this Ordinance shall be construed to restrict or limit the issuance by the City of any obligations not secured by a lien on any portion of the Net Revenues, including, without limitation, Other Water Obligations. The following covenants, restrictions and limitations shall apply with respect to the issuance of obligations secured by a lien on all or any portion of the Net Revenues.

(a) The City covenants that it will not issue any obligations having a lien on all or any portion of the Net Revenues which is superior to the lien of the Series 2022 Bonds.

(b) The City covenants that it will not issue any Parity Obligations or Subordinate Obligations unless: (i) no Event of Default shall have occurred and be continuing, and the City is then in substantial compliance with the covenants of this Ordinance; and (ii) the City is then current in the accumulation of all amounts required by this Ordinance to be credited to the Bond Account and the Rebate Account, and all amounts required to be credited to other funds and accounts for the Parity Obligations, Subordinate Obligations or Other Water Obligations at the time Outstanding.

(c) Subject to the provisions of Section 25(e) concerning refundings, the City covenants that it will not issue any obligations having a lien on all or any portion of the Net Revenues which is on a parity with the lien of the Series 2022 Bonds (i.e. Parity Obligations) unless the Net Revenues for any 12 consecutive months out of the 18 months preceding the month in which such Parity Obligations are proposed to be issued is at least equal to the sum of (i) 110% of the debt service for the Maximum Debt Service Year of (A) the Outstanding Series 2022 Bonds and, to the extent Outstanding during such 12-month period, all Parity Obligations; and (B) the Parity Obligations proposed to be issued; and (ii) 100% of the debt service for the Maximum Debt Service Year of all then Outstanding Subordinate Obligations and Other Water Obligations, plus 100% of any Surety Bond Costs (as defined in Section 20 hereof) at the time due and owing with respect to the Surety Bond and similar repayment obligations and other amounts at the time due and owing with respect to the reserve or insurance policy for any Parity Obligations. For purposes of Sections 25(c) and (d), Net Revenues may be adjusted to reflect any rate increases adopted prior to the issuance of such proposed Parity Obligations.

(d) The City covenants that it will not issue any obligations having a lien on all or any portion of the Net Revenues which is subordinate to the lien of the Series 2022 Bonds (i.e., Subordinate Obligations) unless the Net Revenues for any 12 consecutive months out of the 18 months preceding the month in which such Subordinate Obligations are proposed to be issued were at least equal to 100% of the debt service for the

Maximum Debt Service Year of (i) the Series 2022 Bonds and, to the extent Outstanding during such 12-month period, all Parity Obligations, Subordinate Obligations, and Other Water Obligations; and (ii) the Subordinate Obligations proposed to be issued; plus 100% of any Surety Bond Costs (as defined in Section 20 hereof) at the time due and owing with respect to the Surety Bond and similar repayment obligations and other amounts at the time due and owing with respect to the reserve or insurance policy for any Parity or Subordinate Obligations.

(e) If at any time after the Series 2022 Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any of such Series 2022 Bonds or any Parity Obligations, nothing in this Ordinance shall be construed in such a manner as to prevent such refunding, and any parity refunding obligations so issued to refund Series 2022 Bonds or Parity Obligations shall enjoy complete equality of lien with the portion of any obligations of the same parity issue or issues which are not refunded; provided, however, that, so long as any Series 2022 Bonds are Outstanding, refunding obligations secured by a lien on all or any portion of the Net Revenues may be issued on a parity with any portion of the Series 2022 Bonds or Parity Obligations remaining unrefunded only if:

(i) *Prior Consent.* The City first receives the consent of the Owners of the unrefunded Bonds, and the consent of Owners of any unrefunded Parity Obligations (or bond insurer thereof if so provided); or

(ii) *Requirements Not Increased.* The debt service payments on such refunding obligations do not exceed the debt service payments on the Series 2022 Bonds or Parity Obligations being refunded on any interest payment date, and the lien of the refunding obligations on all or any portion of the Net Revenues is not raised to a higher priority than the lien thereon of any obligations thereby refunded; or

(iii) *Parity Test.* The refunding obligations are issued in compliance with all applicable requirements of Sections 25(b) and (c) hereof.

(f) A written certificate of the City's Director of Finance that the applicable conditions set forth in this Section are met (including any adjustment of Net Revenues based on a rate increase as provided in paragraph (c) above) shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver Parity Obligations or Subordinate Obligations.

**Section 26. Events of Default.** An Event of Default shall exist if:

(a) the City fails to pay the principal, premium, if any, or interest on any Series 2022 Bond or on any Parity Obligation when due;

(b) the City defaults in the due and punctual performance of any of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Ordinance on its part to be performed (other than those provided in Section 26(a) and except as otherwise provided in Section 30 hereof), and if such default

continues for 30 days after written notice, specifying such default and requiring the same to be remedied, is given to the City by the Owners of at least 25% in aggregate principal amount of the Series 2022 Bonds then Outstanding; provided that if such default cannot be cured within such 30 days, and 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.

(c) The City commences voluntary proceedings under any applicable federal or state bankruptcy, insolvency or other similar law.

**Section 27. Remedies.** Upon the happening and continuation of any Event of Default, as provided in Section 26 hereof, then the Owners of not less than 25% in aggregate principal amount of the Series 2022 Bonds then Outstanding, including without limitation, a trustee or trustees therefor, may proceed against the City to protect and enforce the rights of any Owner of Series 2022 Bonds under this Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the specific performance of any covenant or agreement contained herein, or for the appointment of a receiver of the System (consent to such an appointment being hereby granted), or for any proper legal or equitable remedy as such Owners, trustee or trustees may deem most effectual to protect and enforce such rights, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Series 2022 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 applicable statute or other provision of law; provided, however, that there shall be no right to acceleration of payment as a remedy for any Event of Default. All such proceedings at law or in equity shall be instituted, had and maintained for the ratable benefit of all Owners of the Series 2022 Bonds.

The failure of any Owner of any Outstanding Series 2022 Bond to proceed in any manner herein provided shall not relieve the City or any of its officers, agents or employees of any obligation to perform or carry out any duty, obligation or other commitment herein. Each right or privilege of any Owner of any Series 2022 Bond (or trustee therefor) is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner of any Series 2022 Bond shall not be deemed a waiver of any other right or privilege of such Owner. Upon the happening of any Event of Default as provided in Section 26 hereof, the City will do and perform all proper acts on behalf of and for the Owners of the Outstanding Series 2022 Bonds to protect and preserve the security created for the payment of the Series 2022 Bonds and to insure the payment of the Series 2022 Bonds promptly as the same become due. If any remedial action is discontinued, the City and the Owners of the Series 2022 Bonds shall be restored to their positions prior to taking such action.

To the extent that additional remedies not provided for in this Ordinance (including, without limitation, any acceleration remedy) are provided for in the future with respect to Parity Obligations, the proceedings under which such Parity Obligations are issued shall provide that such remedies must be exercised for the equal and ratable benefit of the Series 2022 Bonds as well as such Parity Obligations.

Section 28. Amendments.

(a) The City may amend or modify any provision of this Ordinance without the consent of or notice to the Owners, as follows:

(i) to grant to or confer upon the Owners any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred;

(ii) to cure any formal defect, omission or ambiguity in this Ordinance;

(iii) to add to the covenants and agreements of the City set forth in this Ordinance;

(iv) to subject to this Ordinance additional revenues, properties or collateral; or

(v) to maintain the then current rating or to obtain any higher rating of the Series 2022 Bonds by one or more national or regional rating agencies.

The City may also amend or modify any provision of this Ordinance without any consent of or notice to the Owners and to effect any other changes in this Ordinance which, in the opinion of an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations of states and their political subdivisions is nationally recognized, do not materially and prejudicially affect the rights of the Owner of any Series 2022 Bond.

(b) In addition, the City may otherwise amend or modify any provision of this Ordinance with the written consent of the Owners of not less than 75% of the principal amount of the Series 2022 Bonds then Outstanding; provided, however, that the written consent of the Owners of 100% of the principal amount of the Series 2022 Bonds then Outstanding and materially adversely affected thereby is required:

(i) to create a lien upon the Net Revenues ranking prior to the lien created by this Ordinance;

(ii) to reduce the principal amount of the Series 2022 Bonds required for consent to any amendment or modification of this Ordinance; or

(iii) to establish priorities between Series 2022 Bonds;

and further provided, that the maturity of any Series 2022 Bond may be extended, or the principal amount or interest rate of any Series 2022 Bond may be reduced, if and only if the written consent of the Owners of all Series 2022 Bonds materially adversely affected thereby is obtained.

Section 29. Defeasance. When the principal of and interest on any Series 2022 Bonds have been duly paid, the pledge and lien and all obligations hereunder with respect to such Series 2022 Bonds shall be discharged, and such Series 2022 Bonds shall no longer

be deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment of any Series 2022 Bonds when the City has placed in escrow or in trust with a commercial bank, located within or without the State and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount wholly or in part may be initially invested) to meet all requirements of principal of and interest on such Series 2022 Bonds as the same become due to their final maturities (including any amounts due pursuant to any mandatory sinking fund redemption) or upon any optional redemption dates as of which the City shall have exercised or shall have obligated itself to exercise its prior redemption option. The Federal Securities shall become due at or prior to the respective times on 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 holders thereof to assure such schedule. In the event that there is a defeasance of only part of the Series 2022 Bonds of any maturity, the Registrar shall, if requested by the City, institute a system to preserve the identity of the individual Series 2022 Bonds or portions thereof so defeased, regardless of changes in Series 2022 Bond numbers attributable to transfers and exchanges of Series 2022 Bonds; and the Registrar shall be entitled to reasonable compensation and reimbursement of expenses from the City in connection with such system.

**Section 30. Continuing Disclosure Undertaking.** The Mayor or other appropriate officer of the City is hereby authorized and directed to execute and deliver a certificate, agreement or other instrument to evidence the City's continuing disclosure undertaking (the "Undertaking") as required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, and the City hereby covenants to comply with such Undertaking. Any failure by the City to perform in accordance with the Undertaking shall not constitute an Event of Default under Section 26 of this Ordinance, and the rights and remedies provided by Section 27 of this Ordinance upon the occurrence of an Event of Default shall not apply to any such failure. Each Owner (including for this purpose the beneficial owners of the Series 2022 Bonds) shall be beneficiaries of the Undertaking and may enforce specific performance of the obligations contained in the Undertaking directly against the City by any judicial proceeding available.

**Section 31. Registrar and Paying Agent.** Zions First National Bank shall serve as the initial Registrar and Paying Agent for the Series 2022 Bonds, and the Director of Finance and designees of the Director of Finance shall be authorized representatives of the City for purposes of providing direction to the Registrar and Paying Agent. Upon 30 days' prior written notice to the Owners, Zions First National Bank (or any successor) may resign as Registrar or Paying Agent, or both (provided that no such resignation shall be effective until a successor Registrar and Paying Agent is appointed), and the City shall appoint a successor Registrar or Paying Agent, or both, which successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having shareholders' equity (e.g., capital stock, surplus and profits), however denominated, not less than \$10,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

**Section 32. Contract with Owners.** After the Series 2022 Bonds have been issued, this Ordinance shall constitute an irrevocable contract between the City and the Owners of the Series 2022 Bonds, and, except as otherwise provided herein, shall be and remain irrepealable until the Series 2022 Bonds and the interest thereon shall have been fully paid, satisfied and discharged. No provisions of any constitution, statute, charter, ordinance, resolution or any order or measure enacted after the issuance of the Series 2022 Bonds 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.

**Section 33. Parties Interested Herein.** Except for the provisions of Section 30 hereof with respect to beneficial owners of the Series 2022 Bonds and except for provisions confirming rights with respect to Parity Obligations, nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon or to give or grant to any person or entity, other than the City, the Paying Agent, the Registrar, the Surety Bond issuer, so long as it is not in default under the Surety Bond, and the Owners from time to time of the Series 2022 Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all 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, the Paying Agent, the Registrar, the Surety Bond issuer and each Owner from time to time of the Series 2022 Bonds.

**Section 34. Severability.** If any section, subsection, 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, subsection, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

**Section 35. Statutes Superseded; Inconsistent Enactments Suspended.** Pursuant to Article XX of the State Constitution and the Charter, all statutes of the State which might otherwise apply in connection with the Series 2022 Bonds are hereby superseded to the extent inconsistent with this Ordinance. Any ordinances or other enactments of the City inconsistent with this Ordinance or the transactions contemplated hereby are hereby superseded to the extent of such inconsistency and shall to such extent be inapplicable to such transactions.

**Section 36. Limitation of Actions.** As provided in Section 5-21 of the Charter, no action or proceedings, at law or in equity, to review any acts or proceedings, or to question the validity of or enjoin the issuance or payment of the Series 2022 Bonds issued in accordance with their terms, or for any other relief against any acts or proceedings of the City done or had under Part Four (Sections 5-18 through 5-23, inclusive) of Article V of the Charter, shall be maintained against the City, unless commenced within 30 days after the performance of the act or final passage of the resolution or ordinance complained of, or else be thereafter perpetually barred.

**Section 37. Publication and Effective Date.** Following passage of this Ordinance on first reading, it shall be published in full in the Greeley Daily Tribune, a legal newspaper of general circulation in the City. Before this Ordinance shall be considered for final passage, there shall also be published a notice of hearing in accordance with the Charter and ordinances of the City. Pursuant to Section 3.17(f) of the Charter of the City,

this Ordinance, if not amended in substance after first reading hereof, shall be published after second reading and final passage either by title or in full, as the Council may determine. This Ordinance shall take effect five days after publication following final passage.

[Remainder of Page Left Intentionally Blank]

Immediately upon its final passage, this Ordinance shall be recorded in the City book of ordinances kept for that purpose, shall be authenticated by the signatures of the Mayor and the City Clerk, and shall be published as required by law in the Greeley Tribune. The City Clerk is hereby authorized to include in such publications any additional information the City Clerk may deem necessary or appropriate. This Ordinance shall take effect on the fifth day following its final publication.

**INTRODUCED on \_\_\_\_\_, 202\_.**

**PASSED AND ADOPTED, SIGNED AND APPROVED ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.**

**ATTEST**

**THE CITY OF GREELEY, COLORADO**

\_\_\_\_\_  
**City Clerk**

\_\_\_\_\_  
**Mayor**



**EXHIBIT A**

**SERIES 2022 BOND FORM**

**TRANSFER OF THIS SERIES 2022 BOND OTHER THAN BY  
REGISTRATION IS NOT EFFECTIVE**

**UNITED STATES OF AMERICA  
STATE OF COLORADO  
COUNTY OF WELD**

**CITY OF GREELEY**

**WATER REVENUE REFUNDING AND IMPROVEMENT BOND  
SERIES 2022**

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Dated</b>	<b>CUSIP</b>
____%	August 1, _____	February __, 2022	392546 ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Greeley, in the County of Weld, State of Colorado (the "City"), for value received, hereby promises to pay to the Registered Owner (named above), or registered assigns, but solely from the sources and in the manner hereinafter provided, the Principal Amount (stated above) on the Maturity Date (stated above) unless this Series 2022 Bond shall have been previously called for redemption, and solely from said sources and in the manner hereinafter provided to pay interest on said Principal Amount from the date hereof at the per annum Interest Rate (stated above) until the Principal Amount is paid. Interest on this Series 2022 Bond, calculated on the basis of a 360-day year consisting of twelve 30-day months, is payable semiannually on February 1 and August 1 in each year (the "Interest Payment Dates") commencing August 1, 2022. The principal hereof is payable at maturity or prior redemption and upon presentation and surrender hereof at the office of Zions First National Bank as paying agent for the Series 2022 Bonds (the "Paying Agent") or at the office of any successor paying agent appointed by the City. If upon presentation and surrender at or after maturity payment of this Series 2022 Bond is not made as herein provided, interest shall continue hereon at the Interest Rate until the Principal Amount hereof is paid in full. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in City Ordinance No. \_\_\_\_-2021 (the "Ordinance") authorizing the issuance of the Series 2022 Bonds.

Interest on this Series 2022 Bond shall be paid on each Interest Payment Date (or, if such Interest Payment Date is not a business day, on the next succeeding business day), by check or draft mailed to the Registered Owner of this Series 2022 Bond at such Registered Owner's address

as it appears on the registration records maintained by Zions First National Bank, as registrar and transfer agent for the Series 2022 Bonds (the “Registrar”), as of the close of business on the fifteenth day of the calendar month next preceding each Interest Payment Date (whether or not a business day) (the “Record Date”), regardless of any transfer or exchange of this Series 2022 Bond between such Record Date and such Interest Payment Date. Any such interest not so punctually paid shall cease to be payable to the Registered Owner as of such Record Date, and shall be payable to the Registered Owner as of a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of such defaulted interest, and notice of the Special Record Date shall be given to the Registered Owners of the Series 2022 Bonds of the series of which this is one (the “Series 2022 Bonds”) not less than 10 days prior to the Special Record Date by first-class mail to each such Registered Owner as shown on the Registrar’s registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for payment of such defaulted interest.

The principal of and interest on this Series 2022 Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent or the Registrar. The principal of and interest on this Series 2022 Bond shall be paid, and this Series 2022 Bond is transferable, free from and without regard to any equities, setoffs or cross-claims between the City and the original or any intermediate owner hereof.

The Series 2022 Bonds maturing on and after August 1, 20\_\_ are callable for redemption prior to their respective maturities, at the option of the City, on and after August 1, 20\_\_, in whole or in part at any time thereafter (if in part, in integral multiples of \$5,000, from any maturity or maturities or portions thereof as selected by the City and by lot within a maturity, giving proportionate weight to Series 2022 Bonds in denominations larger than \$5,000, in such manner as the Registrar shall determine), at a redemption price equal to the principal amounts so redeemed plus accrued interest thereon to the redemption date, without redemption premium.

[Insert sinking fund redemption provisions, if any]

In the case of Series 2022 Bonds of a denomination larger than \$5,000, each \$5,000 of principal shall be treated as a separate Series 2022 Bond for purposes of determining which Series 2022 Bonds of a particular maturity are to be redeemed on a particular optional or mandatory sinking fund redemption date. If less than all of the principal amount of any Series 2022 Bond is redeemed, the Registrar shall, without charge to the Registered Owner of such Series 2022 Bond, authenticate and issue a replacement Series 2022 Bond or Series 2022 Bonds for the unredeemed portion thereof. Redemption shall be made upon not more than 60 days nor less than 30 days mailed notice to each Registered Owner of Series 2022 Bonds to be redeemed at the address shown on the registration records maintained by the Registrar, in the manner and upon the conditions provided in the Ordinance. Failure to give such notice by mailing to the Registered Owner of any Series 2022 Bond (or certain other entities as provided in the Ordinance), or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Series 2022 Bonds. Redemption procedures are subject to applicable procedures under the below-described book-entry system.

The Series 2022 Bonds are authorized and issued for the purpose of financing or refinancing the cost of improvements, betterments, extensions and expansions of the City's water system (the "System"), as defined and described in the Ordinance, all under the authority of and in full conformity with applicable provisions of the Constitution and laws of the State of Colorado and the Charter and ordinances of the City.

The Series 2022 Bonds are special, limited obligations of the City payable solely from the Revenues of the System after deduction of Operating Expenses of the System (as further defined and provided in the Ordinance, the "Net Revenues") and from moneys in the Series 2022 Bond Account established by the Ordinance. The Series 2022 Bonds constitute an irrevocable and first lien (but not an exclusively first lien) on the Net Revenues, on a parity with the lien thereon all Parity Obligations. Subject to conditions set forth in the Ordinance, additional obligations may be issued in the future having a lien on Net Revenues on a parity with or subordinate to the lien of the Series 2022 Bonds.

The Series 2022 Bonds do not constitute a debt or indebtedness of the City, Weld County, the State or any political subdivision of the State within the meaning of the City's Charter or any constitutional or statutory provision or limitation, and are not secured by the full faith and credit of the City or by any taxing power of the City or any other government; nor do the Series 2022 Bonds constitute a multiple-fiscal year direct or indirect debt or other financial obligation within the meaning of Article X, Section 20 of the State Constitution, nor shall the Series 2022 Bonds be considered or held to be general obligations of the City. The owners of the Series 2022 Bonds may not look to any general fund of the City for the payment of the debt service requirements of the Series 2022 Bonds, nor do they have the right to require or compel the exercise of the ad valorem property taxing power or any other taxing power of the City or of any other taxing entity for payment of the Series 2022 Bonds.

This Series 2022 Bond is subject to all terms and provisions of the Ordinance but contains only a summary of certain terms and provisions thereof. Reference is hereby made to the Ordinance, and to any and all modifications and amendments thereof, for the complete terms and provisions to which this Series 2022 Bond is subject, including, among others, terms and provisions with respect to the custody and application of proceeds of the Series 2022 Bonds, the receipt and disposition of System revenues, the nature and extent of the security, the terms and conditions under which additional obligations secured by a lien on the Net Revenues may be issued, the rights, duties, obligations and immunities of the City and its officers, and the rights and remedies of the Registered Owners of the Series 2022 Bonds; and by the acceptance of this Series 2022 Bond the owner hereof assents to all provisions of the Ordinance.

To the extent and in the manner provided by the Ordinance, the provisions of the Ordinance may be amended or modified by action of the City. The pledge of the Net Revenues and the other obligations and covenants of the City under the Ordinance may be discharged at or prior to the final maturity of the Series 2022 Bonds upon the making of provision for payment of the Series 2022 Bonds on the terms and conditions set forth in the Ordinance.

This Series 2022 Bond must be registered in the name of the owner as to both principal and interest on the registration records maintained by the Registrar in conformity with the provisions

stated herein and endorsed hereon and subject to the terms and conditions set forth in the Ordinance.

No transfer of this Series 2022 Bond shall be valid unless made on the registration records maintained by the Registrar by the Registered Owner or such Registered Owner's attorney duly authorized in writing. This Series 2022 Bond may be transferred or exchanged by the Registered Owner hereof upon surrender of this Series 2022 Bond for transfer or exchange at the office of the Registrar or a successor transfer agent, duly endorsed or accompanied by a written instrument of transfer or authorization for exchange in form satisfactory to the Registrar and executed by the Registered Owner hereof or such Registered Owner's attorney duly authorized in writing. Thereupon a new fully registered Series 2022 Bond or Series 2022 Bonds of authorized denomination or denominations of the same aggregate principal amount and maturity and bearing interest at the same rate will be issued to the transferee, or, if exchanged, the Registered Owner, subject to the terms and conditions and on payment of such charges as may be imposed by the Registrar as provided in the Ordinance. The City, the Paying Agent and the Registrar may deem and treat the person in whose name this Series 2022 Bond is registered (whether or not this Series 2022 Bond shall be overdue) as the absolute owner hereof for the purpose of making payment and for all other purposes (except to the extent otherwise provided hereinabove and in the Ordinance with respect to Record Dates and Special Record Dates for the payment of interest, and except as otherwise provided in the Ordinance with respect to certain continuing disclosure matters and with respect to certain rights of the Series 2022 Bond Insurer), and neither the City, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

The Registrar will not be required to transfer or exchange (a) all or any portion of any Series 2022 Bond subject to prior redemption during the period beginning at the opening of business fifteen days before the day of the mailing by the Registrar of notice calling any Series 2022 Bonds for prior redemption and ending at the close of business on the day of such mailing; or (b) all or any portion of a Series 2022 Bond after the mailing of notice calling such Series 2022 Bond or any portion thereof for prior redemption.

Notwithstanding the foregoing, so long as the ownership of the Series 2022 Bonds is maintained in book-entry form by The Depository Trust Company ("DTC") or a nominee thereof, (a) this Series 2022 Bond may be transferred in whole but not in part only to DTC or a nominee thereof or to a successor securities depository or its nominee; (b) the City and the Registrar may treat and consider DTC as the absolute owner hereof for the purpose of payment, for the purpose of giving notices of redemption and other matters with respect to this Series 2022 Bond, for purposes of registering transfers hereof, and for all other purposes whatsoever (except as otherwise provided in the Ordinance with respect to certain continuing disclosure matters and with respect to certain rights of the Series 2022 Bond Insurer); and (c) the Registrar shall pay all principal of and interest hereon only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment hereon to the extent of the sum or sums so paid. NEITHER THE CITY, THE PAYING AGENT NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC'S PARTICIPANTS OR INDIRECT PARTICIPANTS, TO THE PERSONS FOR WHOM THEY ACT AS NOMINEES, OR TO ANY BENEFICIAL OWNERS OF THE SERIES 2022 BONDS, WITH RESPECT TO PAYMENTS TO OR THE PROVIDING OF NOTICE FOR DTC'S

PARTICIPANTS OR INDIRECT PARTICIPANTS OR THEIR NOMINEES OR THE BENEFICIAL OWNERS OF THE SERIES 2022 BONDS.

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 in the issuance of this Series 2022 Bond.

This Series 2022 Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Registrar shall have manually signed the Certificate of Authentication hereon.

IN WITNESS WHEREOF, the City Council of the City of Greeley, Colorado has caused this Series 2022 Bond to be executed with the manual or facsimile signature of the Mayor of the City and to be attested by the manual or facsimile signature of the City Clerk under an impression of the seal of the City or a facsimile thereof, all as of the date set forth above.

[SEAL]

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

**REGISTRAR'S CERTIFICATE OF AUTHENTICATION**

This is one of the Series 2022 Bonds described in the within-mentioned Ordinance, and this Series 2022 Bond has been duly registered on the registration records kept by the undersigned as Registrar for such Series 2022 Bonds.

ZIONS FIRST NATIONAL BANK, as  
Registrar

By \_\_\_\_\_  
Authorized Representative

Date of Authentication  
and Registration: February \_\_, 2022

**PREPAYMENT PANEL**

The following installments of principal (or portion thereof) of this Series 2022 Bond have been prepaid in accordance with the terms of the Ordinance authorizing the issuance of this Series 2022 Bond.

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<b>Date of Prepayment</b>	<b>Principal Prepaid</b>	<b>Signature of Authorized Representative of DTC</b>

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FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Series 2022 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Series 2022 Bond on the records kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

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

Address of transferee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Social Security or other tax identification number of transferee:

\_\_\_\_\_  
NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Series 2022 Bond in every particular, without alteration or enlargement or any change whatsoever.

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



[Attach Affidavits of Publication of Ordinance —  
\_\_\_\_\_, 2021 and \_\_\_\_\_, 2022]