
**CITY OF RIFLE, COLORADO
ORDINANCE NO. 8 (SERIES OF 2013)**

**Authorizing the Issuance of Its
Sales and Use Tax Refunding Revenue Bonds
Series 2013
In an Aggregate Principal Amount
Not to Exceed \$2,000,000**

TABLE OF CONTENTS

(This Table of Contents is for the convenience of the reader and
is not a part of the Ordinance)

	Page
Section 1. Definitions and Construction	2
(a) Definitions.....	2
(b) Construction.....	7
Section 2. Recitals.....	8
(a) Refunding Project	8
(b) Authority	8
(c) Election and Canvass of Returns	8
(d) Ordinance	9
Section 3. The Series 2013 Bonds	9
(a) Authorization and Delegation.....	9
(b) Series 2013 Bond Details.....	9
(c) Bonds Equally Secured	24
(d) Special Obligations	24
Section 4. Sale of Bonds	24
(a) Award of Contract; Execution of Bond Purchase Agreement	24
(b) Approval of Official Statement.....	24
(c) Delivery.....	24
Section 5. Disposition of Series 2013 Bond Proceeds and Pledged Revenues; Funds and Accounts Adopted or Created by Ordinance; Security for Series 2013 Bonds	24
(a) Disposition of Series 2013 Bond Proceeds.....	25
(b) General Fund and Street Improvement Fund.....	25
(c) Principal and Interest Account.....	25
(d) Reserve Account	26
(e) Termination of Deposits	28
(f) Payment of Additional Subordinate Securities	28
(g) Use of Remaining Revenues	28
(h) Budget and Appropriation of Sums	29
(i) Excess Investment Earnings Account.....	29
Section 6. General Administration of Funds and Accounts.....	29
(a) Places and Times of Deposits	29
(b) Investment of Funds and Accounts.....	30
(c) No Liability for Losses Incurred in Performing Terms of Ordinance	30
(d) Character of Funds	30
(e) Accelerated Payments Optional.....	31

Table of Contents
(continued)

	Page
Section 7. Priorities; Liens; Issuance of Additional Bonds	31
(a) First Lien on Pledged Revenues	31
(b) Issuance of Additional Parity Bonds.....	31
(c) Certification of Historic Revenues.....	33
(d) Subordinate Securities Permitted.....	33
(e) Superior Securities Prohibited	33
(f) Supplemental Ordinances	33
Section 8. Covenants.....	34
(a) Continuance and Collection of Sales and Use Taxes.....	34
(b) Defense of Legality of Pledged Revenues	34
(c) Performance of Duties	35
(d) Contractual Obligations	35
(e) Further Assurances.....	35
(f) Conditions Precedent	35
(g) Records	35
(h) Protection of Security	35
(i) Accumulation of Interest Claims	36
(j) Prompt Payment of Bonds	36
(k) Use of Principal and Interest Account and Reserve Account.....	36
(l) Additional Securities.....	36
(m) Other Liens.....	36
(n) Surety Bonds.....	36
(o) Arbitrage	36
(p) Designation	37
Section 9. Defeasance	37
Section 10. Default Provisions and Remedies of Bond Owners.....	37
(a) Events of Default	37
(b) Remedies for Defaults.....	38
(c) Rights and Privileges Cumulative.....	38
(d) Duties Upon Defaults.....	39
(e) Evidence of Security Owners.....	39
(f) Warranty Upon Issuance of Bonds	40
Section 11. Amendment of Ordinance.....	40
(a) Amendment of Ordinance Not Requiring Consent of Bond Owners	40
(b) Amendment of Ordinance Requiring Consent of Bond Owners	41
(c) Time for and Consent to Amendment.....	42
(d) Unanimous Consent	43
(e) Exclusion of Bonds.....	43
(f) Notation on Bonds	43
(g) Proof of Instruments and Bonds	43

Table of Contents
(continued)

	Page
Section 12. Miscellaneous	43
(a) Character of Agreement	43
(b) No Pledge of Property	43
(c) Statute of Limitations	44
(d) Delegated Duties	44
(e) Successors	45
(f) Rights and Immunities	45
(g) Facsimile Signatures	46
(h) Ordinance Irrepealable	46
(i) Ratification	46
(j) Repealer	46
(k) Severability	46

**CITY OF RIFLE, COLORADO
ORDINANCE NO. 8
SERIES OF 2013**

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF RIFLE,
COLORADO, SALES AND USE TAX REFUNDING REVENUE BONDS,
SERIES 2013.

WHEREAS, the City of Rifle, Colorado (the "City") is a home rule municipality and political subdivision of the State of Colorado, duly organized and existing pursuant to Art. XX of the Colorado Constitution; and

WHEREAS, at a regular municipal election (the "Election") held September 9, 2003, the registered electors of the City approved the issuance of not to exceed \$4,155,000 principal amount of sales and use tax revenue bonds for the purpose of constructing improvements to highways, streets and roads, such bonds to be payable from "one-half of the City's existing sales and use tax revenues;" and

WHEREAS, at the time of such Election, the City's then existing sales and use taxes were imposed at a total rate of 2-1/2%, consisting of 1/2% for street improvement purposes and 2% for general fund purposes; and

WHEREAS, pursuant to the authority granted at the Election, on November 20, 2003, for street improvement purposes, the City issued \$4,155,000 of its Sales and Use Tax Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), which Series 2013 Bonds were secured by a pledge of the revenues from one-half of the City's then existing total 2-1/2% sales and use tax (the "Pledged Revenues"); and

WHEREAS, due to the historically low interest rates currently prevailing, the City has determined that an interest rate savings, improved cash flow and other economies can be achieved by refunding, paying and discharging the Series 2003 Bonds with proceeds of refunding bonds (the "Series 2013 Bonds") and other legally available moneys; and

WHEREAS, since the issuance of the Series 2003 Bonds the rate of the City's sales and use tax has increased from 2-1/2% to 4-1/4%, with 1% of such increase in rate specifically dedicated to park and open space purposes and 3/4% specifically dedicated to water system purposes, so that such additional taxes are not legally available as security for the Series 2003 Bonds or the Series 2013 Bonds; and

WHEREAS, the City therefore proposes to issue the Series 2013 Bonds secured by the same Pledged Revenues constituting the security for the Series 2003 Bonds;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF RIFLE, COLORADO,
ORDAINS:

Section 1. Definitions and Construction.

(a) *Definitions.* In this Ordinance the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

“*Additional Parity Bonds*” means any Parity Securities issued after the issuance of the Series 2013 Bonds.

“*Average Annual Debt Service Requirements*” means the aggregate of all Debt Service Requirements (excluding any redemption premiums) due on the Bonds or any other given issue of Parity Securities or any portion thereof for all Bond Years beginning with the Bond Year in which Debt Service Requirements of the Bonds or such Parity Securities or any portion thereof are first payable after the computation date and ending with the Bond Year in which the last of the Debt Service Requirements are payable divided by the whole number of such years.

“*Ballot Question*” means the question submitted to and approved by a majority of the eligible electors of City voting thereon at the Election.

“*Beneficial Owners*” means those Persons having beneficial ownership interests in Bonds registered in the name of a Securities Depository or a nominee therefor.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement, dated the date of its execution and delivery, between the City and the Underwriter, providing for the purchase of the Series 2013 Bonds from the City by the Underwriter.

“*Bonds*” means the Series 2013 Bonds, together with any Additional Parity Bonds issued and Outstanding hereunder from time to time.

“*Bond Year*” means the 12 months commencing on the second day of December of any calendar year and ending on the first day of December of the next succeeding calendar year.

“*Capital Projects Fund*” means the fund created and referred to in Section 5(a) hereof.

“*Charter*” means the home rule Charter of the City, as amended.

“*City*” means the City of Rifle, Colorado.

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

“*Combined Average Annual Debt Service Requirements*” means the sum of the Average Annual Debt Service Requirements for all issues of Bonds for which the computation is being made.

“*Combined Maximum Annual Debt Service Requirements*” means the Maximum Annual Debt Service Requirements for all issues of Bonds or portions thereof for which the computation is being made, treated as a single issue.

“*Commercial Bank*” means a state or national bank or trust company that is an eligible public depository under the laws of the State, a member of the Federal Deposit Insurance Corporation and a member of the Federal Reserve System, which has a combined capital and surplus of \$25,000,000 or more, and which is located within the United States of America.

“*Cost of the Refunding Project*” means all or any part of the costs of issuance of the Series 2013 Bonds; any discount on the sale of the Series 2013 Bonds; costs of financial, professional and other estimates and advice; capitalized interest, if any, on the Series 2013 Bonds; contingencies; reserves for replacement expenses or for the payment of the principal of or interest on the Series 2013 Bonds; and all such other costs as may be necessary or incidental to the completion of the Refunding Project or any part thereof.

“*Council*” means the governing body of the City.

“*Debt Service Requirements*” means the principal of, interest on and any premium due in connection with the redemption of the Series 2013 Bonds, any Additional Parity Bonds, any Parity Securities or any other Securities payable from the Pledged Revenues.

“*Election*” means the regular municipal election held in the City on September 9, 2003.

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

“*Event of Default*” means one of the events described in Section 10(a) hereof.

“*Excess Investment Earnings Account*” means the special fund created and referred to in Section 51 hereof.

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

“*Final Terms Certificate*” means a certificate concerning the final terms of the Series 2013 Bonds, not inconsistent with this Ordinance, executed by the City Treasurer and delivered at or prior to delivery of and payment for the Series 2013 Bonds. Upon its delivery, the Final Terms Certificate shall be deemed to be incorporated in and constitute a part of this Ordinance.

“*Fiscal Year*” means the 12 months commencing on the first day of January of any calendar year and ending on the last day of December of said calendar year or such other 12-month period as may from time to time be designated by the Council as the fiscal year of the City.

“*General Fund*” means the general fund of the City heretofore created and referred to in Section 5(b) hereof into which is to be deposited all the Net Revenue from the Sales and Use Tax, except those portions required under the Code to be deposited to the Street Improvement Fund.

“*Insolvency Proceeding*” means any proceeding by or against the City commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law.

“*Interest Payment Date*” means a date designated by ordinance or Final Terms Certificate for the payment of interest on the Series 2013 Bonds or any other designated Security.

“*Letter of Representations*” means the Blanket Issuer Letter of Representations, dated as of November 1, 2003, from the City to The Depository Trust Company, as Securities Depository.

“*Maturity Date*” means a date designated by ordinance or Final Terms Certificate for the payment of principal of the Series 2013 Bonds or any other designated Securities.

“*Maximum Annual Debt Service Requirements*” means the maximum aggregate amount of Debt Service Requirements (excluding redemption premiums) due on the Bonds or any portion thereof in any Bond Year beginning with the Bond Year in which Debt Service Requirements of the Bonds or any portion thereof are first payable after the computation date and ending with the Bond Year in which the last of the Debt Service Requirements are payable.

“*Net Revenue*” means one-half of the amount of Sales and Use Tax collected by the City (without deduction for the 4.13% of total sales tax revenues allocated to the development and encouragement of tourism and industry by the Code, as amended by Ordinance No. 25, Series of 2005).

“*Official Statement*” means the final Official Statement of the City with respect to the Series 2013 Bonds.

“*Ordinance*” means this Ordinance.

“*Outstanding*” means, as of any particular date, all Bonds or any such other Securities payable in whole or in part from the Pledged Revenues that have been authorized, executed and delivered, except the following:

- (a) any Bond or other Security cancelled by the City, by the Paying Agent or otherwise on the behalf of the City on or before such date;
- (b) any Bond or other Security held by or on behalf of the City;
- (c) any Bond or other Security of the City for the payment or the redemption of which moneys or Federal Securities sufficient (including the

known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all of the Debt Service Requirements of such Bond or other Security to the Maturity Date or specified Redemption Date thereof shall have theretofore been deposited in escrow or in trust with a Trust Bank for that purpose as provided in Section 9 hereof; and

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

“*Owner*” means the holder of any bearer instrument or the registered owner of any registered instrument.

“*Parity Securities*” means Bonds, warrants, notes, Securities, leases or other contracts evidencing borrowings and payable from the Pledged Revenues equally or on a parity with the Series 2013 Bonds.

“*Participants*” means underwriters, securities brokers or dealers, banks, trust companies, closing corporations or other Persons for which or whom a Securities Depository holds Bonds or other Securities.

“*Paying Agent*” means UMB Bank, n.a., or its successors, as Paying Agent with respect to the Series 2013 Bonds.

“*Payment Date*” means a Maturity Date or an Interest Payment Date for any Bonds.

“*Paying Agent Agreement*” means the Paying Agent Agreement between the City and the Paying Agent with respect to the Series 2013 Bonds.

“*Permitted Investments*” means any investments or deposits permitted by the ordinances of the City and, to the extent applicable, the laws of the State.

“*Person*” means any individual, firm, partnership, corporation, company, association, joint-stock association, or body politic or any trustee, receiver, assignee, or other similar representative thereof.

“*Pledged Revenues*” means the Net Revenue collected by the City from one-half of the Sales and Use Tax plus all income or gain, if any, from any investment of the foregoing and of the proceeds of Securities payable from the Pledged Revenues (except any income or gain from investment of the proceeds of Securities deposited in a refunding escrow fund or account or in the Excess Investment Earnings Account), whether deposited in the General Fund or in the Street Improvement Fund.

“*Preliminary Official Statement*” means the Preliminary Official Statement relating to the Series 2013 Bonds.

“*Principal and Interest Account*” means the special fund created and referred to in Section 5(c) hereof.

“*Redemption Date*” means the date fixed for the redemption prior to maturity of any Bonds or other designated Securities payable from the Pledged Revenues in any notice of prior redemption given by or on behalf of the City.

“*Refunding Escrow Account*” means the special account created by Section 5(a) hereof.

“*Refunding Escrow Agreement*” means an agreement with the Escrow Agent with respect to the custody and application of the Refunding Escrow Account to the Refunding Project.

“*Refunding Project*” means the refunding, discharge and payment, at a lower interest rate, of the Series 2003 Bonds.

“*Registrar*” means UMB Bank, n.a., or its successors.

“*Regular Record Date*” means the fifteenth day of the calendar month next preceding an Interest Payment Date for the Bonds.

“*Reserve Account*” means the special fund created and referred to in Section 5(d) hereof.

“*Reserve Requirement*” means for all Bonds as to which the Debt Service Reserve Account is pledged, an amount equal to 10% of the proceeds of such Bonds, but not more than 125% of the Combined Average Annual Debt Service Requirements or 100% of the Combined Maximum Annual Debt Service Requirements of all Outstanding Bonds.

“*Sales and Use Tax*” means the 2-1/2% total sales and use tax established by the Code as in effect at the time of issuance of the Series 2003 Bonds, upon sales and purchases of tangible personal property at retail and storage, use, distribution and consumption of tangible personal property purchased or acquired at retail, within the City.

“*Securities Depository*” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, or its successors or assigns to the extent permitted by this Ordinance.

“*Security*” means any bond, note or other evidence of the advancement of money to the City, in whatever form, without regard to priority or source of payment.

“*Series 2003 Bonds*” means the City of Rifle, Colorado Sales and Use Tax Revenue Bonds, Series 2003.

“*Series 2013 Bonds*” means the City of Rifle, Colorado Sales and Use Tax Refunding Revenue bonds, Series 2013.

“*Special Record Date*” means the date fixed by the Paying Agent for the determination of ownership of Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

“*State*” means the State of Colorado.

“*Street Improvement Fund*” means the special fund of the City heretofore created and referred to in Section 5(b) hereof into which is to be deposited that portion of the Net Revenue attributable to imposition of the 1/2% street improvement component of the Sales and Use Tax as required by the Code.

“*Subordinate Bonds*” or “*Subordinate Securities*” means Bonds or Securities payable from the Pledged Revenues having a lien thereon subordinate or junior to the lien thereon of the Series 2013 Bonds.

“*Superior Bonds*” or “*Superior Securities*” means Bonds or Securities payable from the Pledged Revenues having a lien thereon superior or senior to the lien thereon of the Series 2013 Bonds.

“*Supplemental Act*” means Part 2 of Article 57, Title 11, Colorado Revised Statutes, as amended.

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

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

“*Trust Bank*” means a Commercial Bank that is authorized to exercise and is exercising trust powers.

“*Underwriter*” means RBC Capital Markets, LLC, and its associates, if any, in the purchase of the Series 2013 Bonds.

(b) **Construction.** This Ordinance, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(i) words in the singular number include the plural, and words in the plural include the singular;

(ii) words in the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender refer to any gender;

(iii) articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter or otherwise correspond to the respective articles, sections, subsections, paragraphs and subparagraphs of this Ordinance so numbered or otherwise so designated;

(iv) the titles and leadlines applied to articles, sections and subsections of this Ordinance are inserted only as a matter of convenience and ease in

reference and in no way define or limit the scope or intent of any provisions of this Ordinance; and

(v) the provisions of the Supplemental Act shall apply to the Series 2013 Bonds except to the extent inconsistent with this Ordinance. Any inconsistency between the Supplemental Act and this Ordinance is hereby declared to be a deliberate exercise of the home rule legislative power of the City pursuant to the Charter and the Constitution of the State, and the provisions of this Ordinance shall control to the extent of such inconsistency.

Section 2. Recitals.

(a) ***Refunding Project.*** The City has need for and desires to accomplish the Refunding Project.

(b) ***Authority.*** Pursuant to Art. X, Sec. 20 and Art. XX, Sec. 6 of the State Constitution and Art. X, Section 10.1 of the Charter, the Council pursuant to ordinance may issue the Series 2013 Bonds for the purpose of effecting the Refunding Project.

(c) ***Election and Canvass of Returns.*** At the Election there was submitted to the eligible electors of the City the following Ballot Question:

SHALL CITY OF RIFLE DEBT BE INCREASED BY NOT MORE THAN \$4,155,000 PRINCIPAL AMOUNT, WITH A REPAYMENT COST OF NOT MORE THAN \$6,316,000 TOTAL PRINCIPAL AND INTEREST, BY THE ISSUANCE OF SALES AND USE TAX REVENUE BONDS, PAYABLE FROM ONE-HALF OF THE CITY'S EXISTING SALES AND USE TAXES, WITHOUT ANY INCREASE IN TAX RATES, FOR THE PURPOSE OF FINANCING THE COST OF CONSTRUCTING IMPROVEMENTS TO HIGHWAYS, STREETS AND ROADS, INCLUDING:

- 1-70 RAMPS AND INTERSECTIONS
- AIRPORT ROAD
- 16TH STREET
- FAIRWAY AVENUE
- WEST 30TH STREET
- MORROW DRIVE
- ASPHALT OVERLAYS TO MAJOR STREETS
- PAVING OF DEERFIELD PARKING LOT

SUCH BONDS TO MATURE, BEAR INTEREST AND BE CALLABLE
FOR REDEMPTION PRIOR TO MATURITY, WITH OR WITHOUT A
PREMIUM, AS MAY LATER BE DETERMINED BY THE CITY?

As evidenced by the canvass of the returns of the Election and the declaration of the result thereof, duly made by the City Clerk on September 11, 2003, a majority of the eligible electors voting at the Election voted affirmatively on the Ballot Question and approved the issuance of the Bonds. The Series 2013 Bonds were issued pursuant to such electoral approval.

(d) ***Ordinance.*** This ordinance is passed and adopted to authorize the sale of the Series 2013 Bonds and to delegate to the City Treasurer the authority to determine, among other things specified herein, the aggregate principal amount of the Series 2013 Bonds, the Maturity Dates of the Series 2013 Bonds, the aggregate principal amount for each Maturity Date of the Series 2013 Bonds, the interest rate for each Maturity Date of the Series 2013 Bonds, the terms upon which the Series 2013 Bonds may be redeemed prior to their respective Maturity Dates, the necessity for Bond insurance and/or a reserve fund surety policy, the revenue coverage requirements for additional obligations to be issued and secured by the Pledged Revenues and the purchase price of the Series 2013 Bonds to be paid by the Underwriter, subject to the limitations contained herein and in the Ballot Question.

Section 3. The Series 2013 Bonds.

(a) ***Authorization and Delegation.*** The Council hereby authorizes the issuance of the Series 2013 Bonds for the purpose of effecting the Refunding Project and delegates to the City Treasurer the authority to negotiate the sale of the Series 2013 Bonds with the Underwriter, to award the contract for the purchase of the Series 2013 Bonds to the Underwriter and thereby to determine certain terms of the Series 2013 Bonds as described herein.

(b) ***Series 2013 Bond Details.***

(i) ***Generally.*** The Series 2013 Bonds shall be issuable in fully registered form and shall initially be registered in the name of the Securities Depository or a nominee therefor. Purchases by Beneficial Owners shall be made in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. The Beneficial Owners shall not receive certificates evidencing their interests in the Series 2013 Bonds. No Series 2013 Bond shall be issued in any denomination larger than the aggregate principal amount maturing on the Maturity Date of such Bond, and no Series 2013 Bond shall be made payable on more than one Maturity Date. The Series 2013 Bonds shall be initially issued so that a single Series 2013 Bond shall evidence the obligation of the City to pay all principal due on each of the Maturity Dates set forth herein.

Pursuant to the recommendations of the Committee on Uniform Security Identification Procedures, CUSIP numbers may be printed on the Series 2013 Bonds.

The Series 2013 Bonds shall be dated not later than May 1, 2014, shall be in an aggregate principal amount not exceeding \$2,000,000, determined by Final Terms Certificate, shall mature on December 1 in the years and aggregate principal amounts determined by Final Terms Certificate and shall bear interest from their dated date or date of issuance, whichever is later, to their respective Maturity Dates, except if redeemed prior thereto, at a maximum interest rate not to exceed 4.00% per annum and a net effective interest rate not to exceed 2.50%, as determined by Final Terms Certificate. The Series 2013 Bonds shall be sold to the Underwriter at a price, determined by Final Terms Certificate, not less than 98% of the principal amount thereof, plus accrued interest, if any, to the date of their delivery. Said interest shall be payable commencing not later than June 1, 2015, and semiannually thereafter on the first day of December and the first day of June of each year. If upon presentation at maturity the principal of any Series 2013 Bond is not paid as provided herein, interest shall continue thereon at the same interest rate until the principal is paid in full.

The Debt Service Requirements of the Series 2013 Bonds shall be payable in lawful money of the United States of America, to the Owners of the Series 2013 Bonds by the Paying Agent. The principal and the final installment of interest shall be payable to the Owner of each Series 2013 Bond upon presentation and surrender thereof at maturity or upon prior redemption, by check or draft mailed to such Owner at the address appearing on the registration books of the City maintained by the Registrar or by wire transfer to such bank or other depository as the Owner shall designate in writing to the Paying Agent. Except as hereinbefore and hereinafter provided, the interest shall be payable to the Owner of each Series 2013 Bond determined as of the close of business on the Regular Record Date, irrespective of any transfer of ownership of the Series 2013 Bond subsequent to the Regular Record Date and prior to such Interest Payment Date, by check or draft or wire transfer directed to such Owner as aforesaid. Any interest not paid when due and any interest accruing after maturity shall be payable to the Owner of each Series 2013 Bond entitled to receive such interest determined as of the close of business on the Special Record Date, irrespective of any transfer of ownership of the Series 2013 Bond subsequent to the Special Record Date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft or wire transfer directed to such Owner as aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by certified or registered first-class, postage-prepaid mail, at least 15 days prior to the Special Record Date, to the Owner of each Series 2013 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing at the address appearing on the registration books of the City. Any premium shall be payable to the Owner of each Series 2013 Bond redeemed upon presentation and surrender thereof upon prior redemption, by check or draft or wire transfer

directed to such Owner as aforesaid. If the date for making or giving any payment, determination or notice described herein is a Saturday, Sunday, legal holiday or any other day on which the office of the Paying Agent or Registrar is authorized or required by law to remain closed, such payment, determination or notice shall be made or given on the next succeeding day which is not a Saturday, Sunday, legal holiday or other day on which the office of the Paying Agent or Registrar is authorized or required by law to remain closed.

So long as the Owner of any Series 2013 Bond is the Securities Depository or a nominee therefor, the Securities Depository shall disburse any payments received, through its Participants or otherwise, to the Beneficial Owners.

Neither the City nor the Paying Agent shall have any responsibility or obligation for the payment to any Participant, any Beneficial Owner or any other Person (except an Owner of Series 2013 Bonds) of the Debt Service Requirements of the Series 2013 Bonds.

(ii) *Provisions Relating to Insurance.* If the City Treasurer determines by Final Terms Certificate that it is economically advantageous to the City he may authorize the issuance of the Series 2013 Bonds with bond insurance, a reserve fund surety policy, or both, and such Final Terms Certificate may incorporate such reasonable and customary provisions as may be required for the issuance of such insurance or reserve surety.

(iii) *Redemption.* Series 2013 Bonds maturing in the years determined by Final Terms Certificate shall not be subject to optional redemption prior to their respective Maturity Dates. Series 2013 Bonds maturing in the years determined by Final Terms Certificate may be made subject to optional redemption prior to their respective Maturity Dates, in whole or in part in such order as may be determined by the City, on December 1 of such year as may be determined by Final Terms Certificate and on any Interest Payment Date thereafter at a price equal to the principal amount thereof plus accrued interest thereon to the Redemption Date plus a premium, if any, equal to such percentage of the principal amount of each Bond so redeemed as may be determined by the City Treasurer.

Series 2013 Bonds maturing in the years determined by Final Terms Certificate may also be made subject to mandatory sinking fund redemption prior to their respective Maturity Dates, by lot, on December 1 in the years and in the aggregate principal amounts determined by Final Terms Certificate, at a price equal to the principal amount of each Bond so redeemed plus accrued interest thereon to the Redemption Date.

(iv) *Determinations.* The determinations of the City Treasurer, by Final Terms Certificate, as to the aggregate principal amount of the Series 2013 Bonds, the Maturity Dates of the Series 2013 Bonds, the aggregate principal

amount for each Maturity Date of the Series 2013 Bonds, the interest rate for each Maturity Date of the Series 2013 Bonds, the terms upon which the Series 2013 Bonds may be redeemed prior to their respective Maturity Dates, the use of bond insurance or a reserve fund surety policy and the purchase price of the Series 2013 Bonds to be paid by the Underwriter shall be made in the best interests of the City, subject to the limitations contained herein and in the Ballot Question, not more than one year after the passage and adoption of this Ordinance.

(v) *Execution and Authentication.* The Series 2013 Bonds shall be executed by and on behalf of the City with the facsimile or manual signature of the Mayor, shall bear a facsimile or manual impression of the seal of the City, shall be attested with the facsimile or manual signature of the City Clerk, shall be countersigned with the facsimile or manual signature of the City Treasurer, and shall be authenticated with the manual signature of the Registrar. Should any officer whose facsimile or manual signature appears on the Series 2013 Bonds cease to be such officer before delivery of the Series 2013 Bonds to the Underwriter, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes. No Series 2013 Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until the certificate of authentication on such Series 2013 Bond shall have been duly executed by the Registrar, and such executed certificate upon any such Series 2013 Bond shall be conclusive evidence that such Series 2013 Bond has been authenticated and delivered under this Ordinance.

(vi) *Registration, Transfer and Exchange.* Upon their execution and authentication and prior to their delivery the Series 2013 Bonds shall be registered for the purpose of payment of principal and interest by the Registrar. Initially, each Series 2013 Bond shall be registered in the name of the Securities Depository or a nominee thereof. Except as hereinafter provided, all of the Series 2013 Bonds shall continue to be registered in the name of the Securities Depository or a nominee thereof. To the extent that typewritten Series 2013 Bonds, rather than printed Series 2013 Bonds, are to be delivered, such modifications to the form of Series 2013 Bond as may be necessary or desirable in such case are hereby authorized and approved. There shall be no substantive change to the terms and conditions set forth in the form of Series 2013 Bond, except as otherwise authorized by this Ordinance or any amendment thereto.

Neither the City nor the Registrar shall have any responsibility or obligation with respect to the accuracy of the records of the Securities Depository or a nominee therefor or any Participant regarding any ownership interest in the Series 2013 Bonds or the delivery to any Participant, Beneficial Owner or any other Person (except an Owner of Series 2013 Bonds) of any notice with respect to the Series 2013 Bonds.

The Series 2013 Bonds shall be transferable only upon the registration books of the City by the Transfer Agent at the request of the Owner thereof or his, her or its duly authorized attorney-in-fact or legal representative. A Series 2013

Bond may be transferred upon surrender thereof together with a written instrument of transfer duly executed by the Owner or his, her or its duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The Transfer Agent shall not be required to transfer ownership of any Series 2013 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2013 Bond selected for redemption on or after the date of such mailing. The Owner of any Series 2013 Bond or Bonds may also exchange such Series 2013 Bond or Bonds for another Series 2013 Bond or Bonds of authorized denominations. Transfers and exchanges shall be made without charge, except that the Transfer Agent may require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2013 Bonds. No transfer of any Series 2013 Bond shall be effective until entered on the registration books of the City. In the case of every transfer or exchange, the Register shall authenticate and the Transfer Agent shall deliver to the new Owner a new Series 2013 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum interest rate as the Series 2013 Bond or Bonds surrendered. Such Series 2013 Bond or Bonds shall be dated as of their date of authentication. New Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same obligation as the Series 2013 Bonds surrendered, shall be secured by this Ordinance, and shall be entitled to all of the security and benefit hereof to the same extent as the Series 2013 Bonds surrendered. The City may deem and treat the Person in whose name any Series 2013 Bond is last registered upon the books of the City as the absolute Owner thereof for the purpose of receiving payment of the Debt Service Requirements of such Series 2013 Bond and for all other purposes, and all such payments so made to such Person or upon his, her or its order shall be valid and effective to satisfy and discharge the liability of the City upon such Series 2013 Bond to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

Neither the City nor the Transfer Agent shall have any responsibility or obligation with respect to the accuracy of the records of the Securities Depository or its Participants regarding any ownership interest in the Series 2013 Bonds or transfers thereof.

(vii) *Resignation or Removal of Agents.* If the Paying Agent, Registrar or Transfer Agent shall resign as such, or if the City shall reasonably determine that the Paying Agent, Registrar or Transfer Agent has become incapable of fulfilling its duties under this Ordinance, the City may, upon notice mailed to the Owners of the Series 2013 Bonds at the addresses shown on the registration books of the City, accept the resignation of or remove the Paying Agent, Registrar or Transfer Agent and select and appoint a successor paying agent, registrar or

transfer agent. Every such successor paying agent, registrar or transfer agent shall be a Trust Bank. It shall not be required that the same institution serve as paying agent, registrar and transfer agent, but the City shall have the right to have the same institution serve as paying agent, registrar and transfer agent. Any such resignation or removal shall become effective only upon the appointment of a successor.

(viii) *Resignation or Removal of Securities Depository.* The City may remove the Securities Depository and the Securities Depository may resign by giving 60 days' written notice to the other of such removal or resignation. Additionally, the Securities Depository shall be removed 60 days after receipt by the City of written notice from the Securities Depository to the effect that the Securities Depository has received written notice from Participants having interests, as shown in the records of the Securities Depository, in an aggregate principal amount of not less than 50% of the aggregate principal amount of the then Outstanding Series 2013 Bonds to the effect that the Securities Depository is unable or unwilling to discharge its responsibilities or a continuation of the requirement that all of the Outstanding Series 2013 Bonds be registered in the name of the Securities Depository or a nominee thereof or is not in the best interests of the Beneficial Owners. Upon the removal or resignation of the Securities Depository, the Securities Depository shall take such action as may be necessary to assure the orderly transfer of the computerized book-entry system with respect to the Series 2013 Bonds to a successor securities depository or, if no successor securities depository is appointed as herein provided, the transfer of the Series 2013 Bonds in certificate form to the Beneficial Owners or their designees. Upon the giving of notice by the City of the removal of the Securities Depository, the giving of notice by the Securities Depository of its resignation or the receipt by the City of notice with respect to the written notice of Participants referred to herein, the City may, within 60 days after the giving of such notice, appoint a successor securities depository upon such terms and conditions as the City shall impose. Any such successor securities depository shall at all times be a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, and in good standing thereunder. If the City fails to appoint a successor securities depository within such time period, the Series 2013 Bonds shall no longer be restricted to being registered in the name of the Securities Depository or a nominee thereof or, but may be registered in whatever name or names Owners transferring or exchanging Series 2013 Bonds shall designate.

(ix) *Replacement of Bonds.* If any Series 2013 Bond shall have been lost, destroyed or wrongfully taken, it may be reissued in the form and tenor of the lost, destroyed or wrongfully taken Series 2013 Bond upon the Owner's furnishing, to the satisfaction of the Council: (A) proof of ownership; (B) proof of loss, destruction or theft; (C) a surety bond in a reasonable amount; and (D) payment of the cost of preparing and issuing the new Bond. Nothing herein prohibits the City from reissuing, upon such terms and conditions as the City may determine, provided that such terms and conditions are not otherwise contrary to

the provisions of this Ordinance or the requirements of the law, or any Outstanding Series 2013 Bond which shall not have become lost, destroyed, or wrongfully taken.

(x) *Recitals in Series 2013 Bonds.* Each Series 2013 Bond shall recite in substance that it is payable solely from the Pledged Revenues and that it is not payable in whole or in part from ad valorem taxes of the City and that the full faith and credit of the City is not pledged to pay the principal of or interest on such Series 2013 Bond.

(xi) *Form of Series 2013 Bonds.* The Series 2013 Bonds shall be in substantially the following form:

[FORM OF BOND]

**UNITED STATES OF AMERICA
STATE OF COLORADO**

**COUNTY OF GARFIELD
CITY OF RIFLE
SALES AND USE TAX REFUNDING REVENUE BOND
SERIES 2013**

No. R-_____ \$_____

Interest Rate	Maturity Date	Original Issue Date	CUSIP
_____%	December 1, ____	_____, 2013	_____

REGISTERED OWNER: ****CEDE & CO.****

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Rifle, in the County of Garfield and State of Colorado, for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum (specified above), in lawful money of the United States of America, on the Maturity Date (specified above), with interest thereon from the Original Date (specified above), or the interest payment date to which interest has been paid next preceding the date hereof, whichever is later, to the Maturity Date, except if redeemed prior thereto, at the per annum Interest Rate (specified above), payable semiannually on the first day of June and the first day of December of each year, commencing on June 1, ____, or the first such date after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate until the Principal Sum is paid in full.

Bonds of this issue maturing in the years ____ through ____ are not subject to optional redemption prior to their respective maturity dates. Bonds maturing in the year and thereafter are subject to optional redemption prior to their respective maturity dates, in whole or in part in such order as may be determined by the City, on December 1, ____, and on any interest payment date thereafter at a price equal to the principal amount thereof plus accrued interest thereon to the redemption date [plus a premium equal to __% of the principal amount of each Bond so redeemed].

[Bonds of this issue maturing in the year ____ are also subject to mandatory sinking fund redemption prior to their maturity date, by lot, on December 1 in the following years in the following aggregate principal amounts, at a price equal to the principal amount of each Bond so redeemed plus accrued interest thereon to the redemption date:

Years	Principal Amounts
	\$

The principal of, interest on and any premium due in connection with the redemption of this Bond are payable to the Registered Owner by UMB Bank, n.a., or its successors, as paying agent. The principal and the final installment of interest are payable to the Registered Owner upon presentation and surrender of this Bond at maturity or upon prior redemption, by check or draft mailed to the Registered Owner at the address appearing on the registration books of the City maintained by The Bank of Cherry Creek, a Branch of Western National Bank, or its successors, as registrar, or by wire transfer to such bank or other depository as the Registered Owner shall designate in writing to the paying agent. Except as hereinbefore and hereinafter provided, the interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is the fifteenth day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft or wire transfer directed to the Registered Owner as aforesaid. Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of the close of business on the special record date, which is to be fixed by the paying agent for such purpose, irrespective of any transfer of ownership of this Bond subsequent to such special record date and prior to the date fixed by the paying agent for the payment of such interest, by check or draft or wire transfer directed to the Registered Owner as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage-prepaid mail, at least 15 days prior to the special record date, to the registered owner of each Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing, at the address appearing on the registration books of the City. Any premium is payable to the Registered Owner upon presentation and surrender of this Bond upon prior redemption, by check or draft or wire transfer directed to the Registered Owner as aforesaid. If the date for making or giving any payment, determination or notice described herein is a Saturday, Sunday, legal holiday or any other day on which the office of the paying agent or registrar is authorized or required by law to remain closed, such payment, determination or notice is to be made or given on the next succeeding day which is not a Saturday, Sunday, legal holiday or other day on which the office of the paying agent or registrar is authorized or required by law to remain closed.

So long as the Registered Owner is the securities depository or a nominee thereof or, the securities depository is to disburse any payments received, through its participants or otherwise, to the beneficial owner or owners hereof.

Neither the City nor the paying agent has any responsibility or obligation for the payment to any participant, any beneficial owner hereof or any other person or entity (except the Registered Owner) of the principal of, interest on or any premium due in connection with the redemption of this Bond.

Neither the City nor the registrar has any responsibility or obligation with respect to the accuracy of the records of the securities depository or a nominee thereof or any participant with respect to any ownership interest in the Bonds or the delivery to any participant, beneficial owner or any other person or entity (except the Registered Owner) of any notice with respect to the Bonds.

Payment of the principal of, interest on and any premium due in connection with the redemption of this Bond is to be made solely from, and as security for such payment there are irrevocably (but not necessarily exclusively) pledged, pursuant to the Ordinance authorizing the issuance of this Bond, two special funds identified as the "City of Rifle, Colorado, Sales and Use Tax Revenue Bonds, Principal and Interest Account" and the "City of Rifle, Colorado, Sales and Use Tax Revenue Bonds, Reserve Account," into which funds the City has covenanted in the Ordinance to pay from Pledged Revenues consisting of net receipts from one-half of the City's sales and use tax as in effect on November 20, 2003, and certain investment earnings sums sufficient to pay when due the principal of, interest on and any premium due in connection with the redemption of the Bonds and any other parity securities payable therefrom and to accumulate and maintain a specified reserve for such purposes.

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

The Bonds are equitably and ratably secured by a lien on the Pledged Revenues, and such Bonds constitute an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Pledged Revenues. Bonds and other types of securities, in addition to the Bonds, subject to expressed conditions, may be issued and made payable from the Pledged Revenues having a lien thereon subordinate and junior to the lien of the Bonds or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of such Bonds in accordance with the provisions of the Ordinance. Except as otherwise expressly provided in this Bond and the Ordinance, the Pledged Revenues are assigned, pledged and set aside to the payment of the principal of and interest on the Bonds in anticipation of the collection of the Pledged Revenues.

The City covenants and agrees with the Registered Owner that it will keep and will perform all of the covenants of this Bond and of the Ordinance.

This Bond is authorized and issued for the purpose of financing the cost of acquiring, constructing and improving highways, streets and roads for the City pursuant to, by virtue of and in full conformity with the Constitution of the State of Colorado and the home rule Charter of the City, and all other laws of the State of Colorado thereunto enabling, and pursuant to the Ordinance duly adopted prior to the issuance of this Bond.

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

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

It is hereby recited, certified and warranted that the issuance of this Bond has been duly authorized and that it is issued for the purpose of refunding, at a lower interest rate, obligations authorized by a majority of the eligible electors of the City voting on the ballot question submitted at an election held in the City on September 9, 2003, for the purposes therein described. It is also 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 Bond; that it is issued pursuant to and in strict conformity with the Constitution and all other laws of the State of Colorado, including the home rule Charter and the Municipal Code of the City, and with the Ordinance; that this Bond does not contravene any constitutional or statutory limitation of the State of Colorado or any limitation of the home rule Charter of the City; and that this Bond is issued under the authority of the Ordinance.

This Bond is transferable only upon the registration books of the City by UMB Bank, n.a., or its successors, as transfer agent, at the request of the Registered Owner or his, her or its duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or his, her or its duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the transfer agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of

the trust. The transfer agent is not required to transfer ownership of this Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Bond selected for redemption on or after the date of such mailing. The Registered Owner may also exchange this Bond for another Bond or Bonds of authorized denominations. Transfers and exchanges are to be made without charge, except that the transfer agent may require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Bonds. No transfer of this Bond is to be effective until entered on the registration books of the City. In the case of every transfer or exchange, the registrar is to authenticate and the transfer agent is to deliver to the new registered owner a new Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum interest rate as the Bond or Bonds surrendered. Such Bond or Bonds are to be dated as of their date of authentication. The City may deem and treat the person or entity in whose name this Bond is last registered upon the books of the City as the absolute owner hereof for the purpose of receiving payment of the principal of, interest on and any premium due in connection with the redemption of this Bond and for all other purposes, and all such payments so made to such person or entity or upon his, her or its order will be valid and effective to satisfy and discharge the liability of the City upon this Bond to the extent of the sum or sums so paid, and the City will not be affected by any notice to the contrary.

Neither the City nor the transfer agent has any responsibility or obligation with respect to the accuracy of the records of the securities depository or its participants regarding any ownership interest in the Bonds or transfers thereof.

The City may remove the securities depository and the securities depository may resign by giving 60 days' written notice to the other of such removal or resignation. Additionally, the securities depository is to be removed 60 days after receipt by the City of written notice from the securities depository to the effect that the securities depository has received written notice from participants having interests, as shown in the records of the securities depository, in an aggregate principal amount of not less than 50% of the aggregate principal amount of the then outstanding Bonds to the effect that the securities depository is unable or unwilling to discharge its responsibilities or a continuation of the requirement that all of the outstanding Bonds be registered in the name of the securities depository or a nominee thereof or is not in the best interests of the beneficial owners. Upon the removal or resignation of the securities depository, the securities depository is to take such action as may be necessary to assure the orderly transfer of the computerized book-entry system with respect to the Bonds to a successor securities depository or, if no successor securities depository is appointed as herein provided, the transfer of the Bonds in certificate form to the beneficial owners or their designees. Upon the giving of notice by the City of the removal of the securities depository, the giving of notice by the securities depository of its resignation or the receipt by the City of notice with respect to the written notice by participants referred to herein, the City may, within 60 days after the giving of such notice, appoint a successor securities depository upon such terms and conditions as the City shall impose. Any such successor securities depository must at all times be a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and in good standing thereunder. If the City fails to appoint a successor securities depository within such time period, the Bonds are no longer to be restricted to being registered in the name of the securities depository or a nominee therefor, but may be registered in whatever name or names registered owners transferring or exchanging Bonds shall designate.

This Bond is a special and limited obligation of the City payable solely out of and secured by an irrevocable assignment and pledge (but not necessarily an exclusive assignment and pledge) of the Pledged Revenues, as more specifically provided in the Ordinance. This Bond does not constitute a debt or an indebtedness of the City within the meaning of any constitutional, statutory or City charter provision or limitation of the State of Colorado or of the City. This Bond is not payable in whole or in part from ad valorem taxes of the City, and the full faith and credit of the City is not pledged for the payment of the principal of or interest on this Bond.

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

IN WITNESS WHEREOF, the City has caused this Bond to be executed with the facsimile or manual signature of the Mayor of the City, to be sealed with a facsimile or manual impression of the seal of the City, to be attested with the facsimile or manual signature of the City Clerk of the City, and to be countersigned with the facsimile or manual signature of the City Treasurer.

CITY OF RIFLE, COLORADO

(CITY)
(SEAL)

By (Facsimile or Manual Signature)
Mayor

Attested:

By _____
City Clerk

Countersigned:

(Facsimile or Manual Signature)
City Treasurer

[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This Bond is issued pursuant to the Ordinance herein described. Attached hereto is a signed copy of the opinion of bond counsel, Kutak Rock LLP, the original of which, dated the date of the first delivery of the Bonds herein described, is on file with the undersigned.

UMB Bank, n.a.

By: (Manual Signature)
Authorized Officer

Dated: _____

[END FORM OF CERTIFICATE OF AUTHENTICATION]

[FORM OF ABBREVIATIONS]

ABBREVIATIONS

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

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIF TRANS MIN ACT – _____ Custodian _____
(Cust) (State)

under Uniform Transfers to Minors Act

(State)

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

[END FORM OF ABBREVIATIONS]

[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

**(Please print or typewrite name and address of Transferee)
(Tax Identification or Social Security No.)**

this Bond and does irrevocably constitute and appoint _____,
_____, _____, or its
successors, to transfer this Bond on the books kept for registration thereof.

Dated: _____

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

Signature Guaranteed:

(Eligible Guarantor Institution)

[END FORM OF ASSIGNMENT]

[END FORM OF BOND]

(c) ***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 the Bonds, all of which, regardless of the time or times of their maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

(d) ***Special Obligations.*** All of the Bonds, as to all Debt Service Requirements thereof, shall be payable solely out of the Pledged Revenues. The Owners of the Bonds may not look to the general or any other fund of the City for the payment of the Debt Service Requirements thereof, except the special funds pledged therefor, and the Bonds shall not be considered or held to be general obligations of the City but shall constitute special and limited obligations of the City. The Bonds are not payable in whole or in part from ad valorem taxes of the City, and the full faith and credit of the City is not pledged for payment of the Bonds.

Section 4. Sale of Bonds.

(a) ***Award of Contract; Execution of Bond Purchase Agreement.*** The City Treasurer is hereby authorized to award the contract for the purchase of the Series 2013 Bonds to the Underwriter at the price determined by the City Treasurer by Final Terms Certificate and upon the terms set forth in this Ordinance. The City Treasurer is hereby authorized to execute the Bond Purchase Agreement on behalf of the City.

(b) ***Approval of Official Statement.*** The City Treasurer is hereby authorized to approve the Preliminary Official Statement, to ratify the use and distribution thereof by the Underwriter in marketing the Series 2013 Bonds, and to cause the delivery of the final Official Statement to the Underwriter pursuant to the terms of the Bond Purchase Agreement.

(c) ***Delivery.*** After the Series 2013 Bonds have been duly executed, authenticated and registered as provided herein, the City Treasurer shall cause the Series 2013 Bonds to be delivered to the Underwriter upon receipt of the agreed purchase price.

Section 5. Disposition of Series 2013 Bond Proceeds and Pledged Revenues; Funds and Accounts Adopted or Created by Ordinance; Security for Series 2013 Bonds. The proceeds of the sale of the Series 2013 Bonds and the Pledged Revenues received by the City shall be deposited by the City in the funds described in this Section 5, to be accounted for in the manner and priority set forth in this Section 5.

Neither the Underwriter nor any subsequent Owner of any Series 2013 Bond shall be responsible for the application or disposal by the City or by any of its officers, agents and employees of the moneys derived from the sale of the Series 2013 Bonds or of any other moneys designated in this Section 5.

The Pledged Revenues held or to be held in any fund or account hereunder (except the Excess Investment Earnings Account) are hereby assigned and pledged to secure the payment of the Debt Service Requirements of the Series 2013 Bonds and any other Parity Securities. This

assignment and pledge shall be valid and binding from and after the date of the first delivery of the Series 2013 Bonds, and the moneys, as received by the City and hereby assigned and pledged, shall immediately be subject to the lien of this assignment and pledge without any physical delivery thereof, any filing, or further act. The lien of this assignment and pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the City (except as herein otherwise expressly provided), and the lien of this assignment and pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City (except as herein otherwise expressly provided), irrespective of whether such parties have notice thereof.

(a) ***Disposition of Series 2013 Bond Proceeds.*** The City shall deposit in the Refunding Escrow Account forthwith upon receipt thereof the proceeds of the Series 2013 Bonds remaining after paying the costs of issuing the Series 2013 Bonds and making the other deposits required by this Ordinance, together with other funds, including without limitation reserves and other amounts held in connection with the Series 2003 Bonds, contributed by the City to the Refunding Project as specified in the Bond Purchase Agreement or Final Terms Certificate. Said proceeds and other funds shall be used only to pay the Cost of the Refunding Project. Any surplus proceeds of the Series 2013 Bonds remaining after completion of the Project may be transferred to the Principal and Interest Account and used for the purposes of the Principal and Interest Account or may be used to the extent feasible to call and redeem Series 2013 Bonds prior to maturity.

(b) ***General Fund and Street Improvement Fund.*** For so long as any of the Series 2013 Bonds shall be Outstanding, as to any Debt Service Requirements, except as otherwise provided herein, the entire Pledged Revenues, upon their receipt from time to time by the City, shall be set aside and credited immediately to the Street Improvement Fund to the extent required by the Code and then to the General Fund.

For so long as any of the Series 2013 Bonds shall be Outstanding as to any Debt Service Requirements, the Pledged Revenues shall be accumulated, administered and applied in the following order of priority:

FIRST, to the Principal and Interest Account to pay any Debt Service Requirements of the Series 2013 Bonds, any Additional Parity Bonds and any other Parity Securities then Outstanding in the manner set forth in Section 5(c) hereof;

SECOND, to the Reserve Account, the manner set forth in Section 5(d) hereof;

THIRD, to the payment of Debt Service Requirements of Subordinate Bonds or other Subordinate Securities in accordance with Section 5(f) hereof; and

FOURTH, to be used in accordance with Section 5(g) hereof.

(c) ***Principal and Interest Account.*** The City shall deposit in a separate special fund hereby created and designated as the “City of Rifle, Colorado, Sales and Use

Tax Revenue Bonds, Principal and Interest Account” forthwith upon receipt of the proceeds of the Series 2013 Bonds, interest, if any, accrued thereon from their date of issue to the date of delivery thereof to the Underwriter, to apply to the payment of interest first due on the Series 2013 Bonds.

The City shall deposit in the Principal and Interest Account from the Pledged Revenues on or before the last day of each month beginning with the first whole month following delivery of the Series 2013 Bonds to the Underwriter, the following amounts (with credits for the amount of any accrued interest on the Series 2013 Bonds deposited in the Principal and Interest Account and not theretofore credited):

(i) *Interest Payments.* One-sixth of the aggregate amount of the next installment of interest due on the next Interest Payment Date in the then current Bond Year plus any other amounts due for interest on the Series 2013 Bonds, any Additional Parity Bonds and any other Parity Securities then Outstanding.

(ii) *Principal Payments.* One-twelfth of the aggregate amount of the next installment of principal due on the next principal payment date in the then current Bond Year plus any other amounts due for principal of the Series 2013 Bonds, any Additional Parity Bonds and any other Parity Securities then Outstanding.

Such interest and principal shall be promptly paid when due.

The moneys credited to the Principal and Interest Account shall be used to pay the Debt Service Requirements of the Series 2013 Bonds, any Additional Parity Bonds and any other Parity Securities then Outstanding, as such Debt Service Requirements become due, except as otherwise provided in this Ordinance.

(d) *Reserve Account.* The City shall maintain a separate special fund heretofore created and designated as the “City of Rifle, Colorado, Sales and Use Tax Revenue Bonds, Reserve Account.” Unless the Reserve Requirement shall be satisfied by the deposit of a reserve fund surety policy, there shall be deposited in the Reserve Account, from the proceeds of the Series 2013 Bonds or other legally available funds as directed by Final Terms Certificate, the Reserve Requirement. Subject to the payments required by Section 5(c) hereof and except as provided in Section 5(e) hereof, from and to the extent of any Pledged Revenues on deposit in the General Fund or the Street Improvement Fund, the City shall deposit from time to time to the Reserve Account moneys sufficient to maintain the Reserve Account at an amount at least equal to the Reserve Requirement. In the event that the amount of the Reserve Account falls below the Reserve Requirement, the City shall deposit to the Reserve Account from the Pledged Revenues that sum of money needed to reaccumulate the amount therein so that at all times the amount of the Reserve Account equals the Reserve Requirement. Notwithstanding anything to the contrary set forth in this Ordinance, the moneys in the Reserve Account, excluding investment earnings that may be required to be deposited in the Excess Investment Earnings Account or rebated to the federal government, shall be

set aside, accumulated, and, if necessary, reaccumulated as provided herein, from time to time, and maintained as a continuing reserve to be used, except as hereinafter provided in Section 5(e) and Section 9 hereof, only to prevent deficiencies in the Principal and Interest Account resulting from failure to deposit therein sufficient sums to pay such Debt Service Requirements of the Series 2013 Bonds, any Additional Parity Bonds and any other Parity Securities for which the Reserve Account is maintained as the same become due.

If at any time the City shall for any reason fail to pay into the Principal and Interest Account the full amount above stipulated, then an amount shall be paid into the Principal and Interest Account at such time from the Reserve Account equal to the difference between that paid from the Pledged Revenues in the General Fund or the Street Improvement Fund and the full amount so stipulated. The money so used shall be replaced to the Reserve Account from the first Pledged Revenues credited to the General Fund or the Street Improvement Fund thereafter received and not required to be otherwise applied by Section 5(c) hereof.

If Additional Parity Bonds are Outstanding and a separate reserve fund or account is maintained therefor, then the moneys replaced in the Reserve Account and such separate reserve fund or account shall be replaced on a pro rata basis, as moneys become available therefor.

If at any time the City shall for any reason fail to pay into the Reserve Account the full amount stipulated herein from Pledged Revenues credited to the General Fund or the Street Improvement Fund, the difference between the amount paid and the amount stipulated shall in a like manner be paid therein from the first Pledged Revenues credited to the General Fund or the Street Improvement Fund thereafter received and not required to be applied otherwise by Section 5(c) hereof.

Nothing in this Ordinance shall be construed as limiting the right of the City to substitute for the cash deposit required to be maintained hereunder with the prior written consent of the Insurer a letter of credit, surety bond, insurance policy, agreement guaranteeing payment, or other undertaking by a financial institution to ensure that cash in the amount otherwise required to be maintained hereunder will be available to the City as needed; provided that any such substitution shall not cause the then current ratings of the Bonds to be adversely affected. Any such credit instrument shall be deposited with the Paying Agent, which shall ascertain the necessity for a claim against or draw upon the credit instrument and provide notice to the issuer of such credit instrument in accordance with its terms not later than three days (or such longer period as may be necessary, depending on the permitted time period for honoring claims or draws thereunder) prior to each Interest Payment Date. If a letter of credit is substituted for the cash deposit required to be maintained hereunder, the Paying Agent shall draw upon such letter of credit prior to its expiration or termination unless an alternate credit instrument conforming with the provisions hereof has been substituted therefor or the amount otherwise required to be maintained hereunder is on deposit in the Reserve Account.

(e) **Termination of Deposits.** No payment need be made into the Principal and Interest Account or the Reserve Account if the amount of cash and Permitted Investments in the Principal and Interest Account and the amount in the Reserve Account total a sum at least equal to the entire principal amount of the Outstanding Series 2013 Bonds and any Outstanding Additional Parity Bonds or other Parity Securities, as to all Debt Service Requirements, to their respective Maturity Dates or to any Redemption Date or Redemption Dates on which the City shall have exercised or shall have obligated itself to exercise its option to redeem, prior to their respective Maturity Dates, any Series 2013 Bonds, any Additional Parity Bonds or any other Parity Securities then Outstanding and thereafter maturing, both accrued and not accrued (provided that, solely for the purpose of this Section 5(e), there shall be deemed to be a credit to the Reserve Account cash or Permitted Investments, accounted for in any other account or accounts of the City and restricted solely for the purpose of paying the Debt Service Requirements of the Series 2013 Bonds, any Additional Parity Bonds or any other Parity Securities), in which case cash or Permitted Investments in the Principal and Interest Account and the Reserve Account in an amount, except for any known interest or other gain to accrue from any investment or deposit of moneys pursuant to Section 6(b) hereof from the time of any such investment or deposit to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Debt Service Requirements, shall be used together with any such gain from such investments and deposits solely to pay such Debt Service Requirements as the same become due; and any moneys in excess thereof in the Principal and Interest Account and the Reserve Account and any other moneys derived from the Pledged Revenues may be used in any lawful manner determined by the City.

(f) **Payment of Additional Subordinate Securities.** After there has been deposited to the Principal and Interest Account an amount sufficient to pay all the Debt Service Requirements due or to become due during the current Bond Year on all Series 2013 Bonds, Additional Parity Bonds and other Parity Securities then Outstanding and after the accumulations to and replenishments of the Reserve Account to be made in the current Bond Year have been made, any Pledged Revenues remaining in the General Fund or the Street Improvement Fund in any Bond Year may be used by the City for the payment of Debt Service Requirements of Subordinate Securities payable from the Pledged Revenues and authorized to be issued in accordance with this Ordinance, including reasonable reserves for such Subordinate Securities; but the lien of such Subordinate Securities on the Pledged Revenues and the pledge thereof for the payment of such Subordinate Securities shall be subordinate to the lien and pledge of the Series 2013 Bonds, any Additional Parity Bonds and any other Parity Securities as herein provided.

(g) **Use of Remaining Revenues.** After the payments hereinabove required to be made by Sections 5(c) through 5(f) hereof are made, at the end of any Bond Year, or whenever in any Bond Year there shall have been credited to the Principal and Interest Account and to the Reserve Account for the payment of the Bonds and any other Securities payable from the Pledged Revenues all amounts required to be deposited in those funds in said Bond Year, as herein provided, any remaining Pledged Revenues may be transferred to any other fund of the City as the City may determine.

(h) ***Budget and Appropriation of Sums.*** The proceeds of the Series 2013 Bonds and other funds of the City to be used for payment of the costs of issuance of the Series 2013 Bonds and for the deposit specified in Section 5(a) hereof and the Pledged Revenues to be used to make the payments specified in Sections 5(c), (d), (f) and (i) hereof are hereby appropriated for said purposes, and said amounts for each year shall be included in the annual budgets and the appropriation ordinances or measures to be passed or adopted by the Council in each year while any of the Series 2013 Bonds, as to either principal or interest, are Outstanding and unpaid. No provisions of any constitution, charter, statute, ordinance, resolution, or other order or measure enacted after the issuance of the Series 2013 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 so long as any of the Series 2013 Bonds remain Outstanding and unpaid.

(i) ***Excess Investment Earnings Account.*** The City Treasurer shall transfer into and pay from a separate special fund hereby created and designated as the “City of Rifle, Colorado, Sales and Use Tax Revenue Bonds, Series 2013, Excess Investment Earnings Account” the amount of required arbitrage rebate, if any, due to the federal government under Sections 103 and 148(f)(2) of the Tax Code and regulations thereunder. The City Treasurer shall determine such amounts in the manner required by said sections and related regulations. Transfer of the required arbitrage rebate amounts shall be made from the Principal and Interest Account and the Reserve Account; provided, however, that required arbitrage rebate payments shall be made to the federal government from any Pledged Revenues or other legally available funds regardless of whether there are any remaining proceeds or other funds attributable to the Series 2013 Bonds that are available for the purpose.

All amounts in the Excess Investment Earnings Account, including income earned from investment thereof, shall be held by the City Treasurer free and clear of any lien created by this Ordinance, and the City Treasurer shall pay over to the federal government from time to time as the City Treasurer shall determine provided that the City Treasurer shall so pay over to the federal government not less frequently than once each five years after the date of issuance of the Series 2013 Bonds, an amount equal to 90% of the required arbitrage rebate amount earned during such period (and not theretofore paid to the federal government) and not later than 60 days after the redemption of the last Series 2013 Bond, 100% of the required arbitrage rebate amount.

Section 6. General Administration of Funds and Accounts.

(a) ***Places and Times of Deposits.*** Each of the special funds or accounts referred to in Section 5 hereof shall be maintained and kept separate and apart from all other accounts or funds of the City for the purposes herein designated therefor. For purposes of investment of moneys, nothing, except as specifically provided herein, prevents the commingling of moneys accounted for in any two or more such funds or accounts pertaining to the Pledged Revenues or to such fund and account and any other funds or accounts of the City adopted or created under this Ordinance. Such funds or accounts shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not

withdrawable by anyone for any purpose other than the respective designated purposes of such funds and accounts. Each periodic payment shall be credited to the proper fund or account not later than the date thereof or herein designated, except that when any such date shall be a Saturday, a Sunday or a legal holiday, then such payment shall be made on or before the next preceding business day.

(b) ***Investment of Funds and Accounts.*** Any moneys in any fund or account described in this Ordinance may be deposited, invested or reinvested only in Permitted Investments. Securities or obligations purchased as such an investment shall either be subject to redemption at any time at face value by the Owner thereof at the option of such Owner or shall mature at such time or times as shall most nearly coincide with the expected need for moneys from the fund or account in question. Securities or obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of the applicable fund or account; provided that, with the exception of the Reserve Account and the Excess Investment Earnings Account, the interest accruing on such investments and any profit realized therefrom shall be credited to the General Fund or the Street Improvement Fund, as appropriate, and any loss resulting from such investments shall be charged to the particular fund or account in question. Interest and profit realized from investments in the Reserve Account shall be credited to the Reserve Account; provided that, so long as the amount in the Reserve Account equals at least the minimum amount specified in Section 5(d) hereof, such interest and profit may be transferred to the Principal and Interest Account and distributed in the same manner as other moneys in the Principal and Interest Account. Any loss resulting from such investments in the Reserve Account shall be charged to the Reserve Account. Investments in the Reserve Account shall have a term to maturity not greater than five years and not longer than the final maturity of the Bonds secured thereby. Investments in the Reserve Account shall be valued by the City at the market value thereof, exclusive of accrued interest. If on any valuation date the market value of investments in the Reserve Account is less than the amount required by Section 5(d) hereof to be maintained therein due to market fluctuations, the deficiency shall be remedied no later than the next quarterly valuation date. The City shall present for redemption or sale on the prevailing market any securities or obligations so purchased as an investment of moneys in a given fund or account whenever it shall be necessary to do so in order to provide moneys to meet any required payment or transfer from such fund or account. The City shall not invest any moneys accounted for hereunder if any such investment would contravene the covenant concerning arbitrage in Section 8(o) hereof.

(c) ***No Liability for Losses Incurred in Performing Terms of Ordinance.*** Neither the City nor any officer of the City shall be liable or responsible for any loss resulting from any investment or reinvestment made in accordance with this Ordinance.

(d) ***Character of Funds.*** The moneys in any fund or account herein authorized shall consist of lawful money of the United States of America or Permitted Investments or both such money and Permitted Investments. Moneys deposited in a demand or time deposit account in a Commercial Bank, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States of America.

(e) ***Accelerated Payments Optional.*** Nothing contained herein prevents the accumulation in any fund or account herein designated of any monetary requirements at a faster rate than the rate or minimum rate, as the case may be, provided therefor, but no payment shall be so accelerated if such acceleration shall cause a default in the payment of any obligation of the City pertaining to the Pledged Revenues.

Section 7. Priorities; Liens; Issuance of Additional Bonds.

(a) ***First Lien on Pledged Revenues.*** Except as expressly provided in this Ordinance with respect to the issuance of Additional Parity Bonds, Parity Securities or Subordinate Securities, the Pledged Revenues shall be and hereby are irrevocably assigned, pledged and set aside to pay the Debt Service Requirements of the Bonds. The Bonds constitute an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Pledged Revenues. The Bonds and any other Parity Securities authorized to be issued and from time to time Outstanding are equitably and ratably secured by a lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance of the Bonds and other Parity Securities, it being the intention of the Council that there shall be no priority among the Bonds, regardless of the fact that they may be actually issued and delivered at different times.

(b) ***Issuance of Additional Parity Bonds.*** Nothing herein, subject to the limitations stated in Section 7(f) hereof, prevents the issuance by the City of Additional Parity Bonds payable from the Pledged Revenues and constituting a lien on the Pledged Revenues on a parity with, but not prior or superior to, the lien thereon of the Bonds; but before any such Additional Parity Bonds are authorized or actually issued the following provisions must first be satisfied:

(i) ***Absence of Default.*** At the time of the issuance of the Additional Parity Bonds as provided in Section 7(f) hereof, the City shall not be in default in making any payments required by Section 5 hereof and there shall not have occurred and be continuing any Event of Default or any event that, upon the expiration of any applicable notice or grace period, would constitute an Event of Default.

(ii) ***Historic Revenues Test.*** Except as hereinafter provided in the case of Additional Parity Bonds issued for the purpose of refunding less than all of the Bonds and other Parity Securities then Outstanding, the Pledged Revenues, as certified by the City Treasurer, derived in the last complete Fiscal Year immediately preceding the date of the issuance of such Additional Parity Bonds shall have been sufficient to pay an amount at least equal to 150% (or such lesser percentage as established by Final Terms Certificate) of the Combined Maximum Annual Debt Service Requirements of the Outstanding Bonds, any other Parity Securities and the Additional Parity Bonds proposed to be issued. If additional Sales and Use Taxes in excess of those authorized and pledged as of the date hereof have been imposed during such Fiscal Year and are to be pledged, the amount of such Pledged Revenues may be adjusted by adding the additional

Pledged Revenues that would have been received by the City from the imposition of such additional Sales and Use Taxes as if such additional Sales and Use Taxes had been in effect during the entire Fiscal Year. If Additional Parity Bonds are to be issued for purposes other than street improvements described in the Code, only Pledged Revenues deposited in the General Fund may be considered. For purposes of this Section 7(b)(ii), when computing the Maximum Annual Debt Service Requirements for any issue of Securities bearing interest at a variable, adjustable, convertible or other similar rate that is not fixed for the entire term thereof, it shall be assumed that any such Securities Outstanding at the time of the computation will bear interest during any period at the highest of (A) the actual rate on the date of calculation, or if the Securities are not yet Outstanding, the initial rate (if established and binding); (B) if the Securities have been Outstanding for at least 12 months, the average rate over the 12 months immediately preceding the date of calculation; and (C) (1) if interest on the Securities is excludable from gross income under the applicable provisions of the Tax Code, the rate stated in the most recently published Securities Industry and Financial Markets Association (SIFMA) Index for the appropriate maturity or reset period (or if no longer published, a comparable index) plus 50 basis points; or (2) if interest is not so excludable, the rate on direct Federal Securities of comparable maturities plus 50 basis points. It shall further be assumed that any such Securities that may be tendered prior to maturity for purchase at the option of the Owner thereof will mature on their stated Maturity Dates or mandatory Redemption Dates. The City shall be permitted to treat any fixed rate payable under an interest rate exchange agreement or “swap” contract as the interest rate on any such issue of Securities if the counterparty to such agreement or contract has unconditionally agreed to pay all interest due on such Securities. In the case of Additional Parity Bonds issued for the purpose of refunding less than all of the Bonds and other Parity Securities then Outstanding, compliance with this Section 7(b)(ii) shall not be required so long as the Debt Service Requirements payable on all Bonds and other Parity Securities Outstanding after the issuance of such Additional Parity Bonds on each Interest Payment Date does not exceed the Debt Service Requirements payable on all Bonds and other Parity Securities Outstanding prior to the issuance of such Additional Parity Bonds on such Interest Payment Dates.

(iii) *Adequate Reserves.* The Reserve Account shall be fully funded in accordance with Section 5(d) hereof, and the proceedings under which any such Additional Parity Bonds are issued must provide for the deposit of moneys to the Reserve Account on substantially the same terms as provided in Section 5(d) hereof and contain a covenant by the City to maintain the Reserve Account in an amount at least equal to the minimum amount required by Section 5(d) hereof. Alternatively, if such action is deemed by the City to be necessary or desirable in order to comply with any statute or regulation governing the exclusion from gross income for federal income tax purposes of interest on any such Additional Parity Bonds, the proceedings under which any such Additional Parity Bonds are issued may provide for the deposit of moneys to a reserve fund or account (other than the Reserve Account) established and maintained for any such Additional Parity

Bonds on substantially the same terms as provided in Section 5(d) hereof and contain a covenant by the City to maintain such reserve fund or account in an amount at least equal to the minimum amount required by Section 5(d) hereof, except as may be necessary to comply with such statute or regulation. Any such reserve fund or account shall have a claim to the Pledged Revenues equal to and on a parity with the Reserve Account.

(iv) *Special Covenant.* If Additional Parity Bonds are to be issued for purposes other than street improvements permitted to be made with Sales and Use Tax revenues in the Street Improvement Fund pursuant to the Code, the City shall covenant in the authorizing ordinance, supplemental ordinance or other instrument of the Council that Pledged Revenues deposited in the Street Improvement Fund shall be transferred, to the extent permitted by the Code, to the Principal and Interest Account and, if necessary, the Reserve Account with respect to the Series 2013 Bonds before Pledged Revenues deposited in the General Fund are so transferred.

(c) *Certification of Historic Revenues.* In the case of the computation of the historic revenues test provided in Section 7(b)(2) hereof, the specified and required written certifications by the City Treasurer that such annual revenues are sufficient to pay such amounts as provided in Section 7(b) hereof shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver Additional Parity Bonds.

(d) *Subordinate Securities Permitted.* Nothing herein, subject to the limitations stated in Section 7(f) hereof, prevents the City from issuing Subordinate Bonds or Subordinate Securities.

(e) *Superior Securities Prohibited.* Nothing herein permits the City to issue Superior Bonds or Superior Securities.

(f) *Supplemental Ordinances.* Additional Parity Bonds or Subordinate Securities shall be issued only after authorization thereof by ordinance, supplemental ordinance or other instrument of the Council, in substantially the same form as this Ordinance, stating the purpose or purposes of the issuance of such additional Securities, directing the application of the proceeds thereof to such purpose or purposes, directing the execution thereof, and fixing and determining the date, series designation, principal amount, maturity or maturities, maximum rate or rates of interest, and prior redemption privileges of the City with respect thereto, and providing for payments from the General Fund and the Street Improvement Fund to the Principal and Interest Account and the Reserve Account in accordance with this Ordinance. All additional Securities shall bear such date, shall be payable as to principal on December 1 or on June 1 and December 1 and as to interest on June 1 and December 1 and shall be subject to redemption prior to maturity on such terms and conditions, as may be provided, and shall bear interest at such rate or rates as may be fixed by ordinance, instrument or other document of the Council. Nothing herein shall be construed to prohibit the issuance of additional Securities payable

from the Pledged Revenues, the interest on which is payable more frequently than semiannually.

Section 8. Covenants. The City hereby particularly covenants and agrees with the Owners of the Bonds from time to time, and makes the following provisions which shall be a part of its contract with such Owners, which covenants and provisions shall be kept by the City continuously until all of the Bonds have been fully paid and discharged:

(a) ***Continuance and Collection of Sales and Use Taxes.***

(i) The provisions of the Code authorizing the Sales and Use Tax have not been repealed or amended and are now in full force and effect. The City will not repeal or amend said provisions in any manner that would diminish the Pledged Revenues.

(ii) The City shall continue to levy, impose, administer, enforce and collect the Sales and Use Tax on sales and purchases of tangible personal property at retail and storage, use, distribution and consumption of tangible personal property purchased or acquired at retail, within the City, in accordance with the Code without reduction in the percentage rate of the Sales and Use Tax as set forth therein.

(iii) The City shall maintain the General Fund and the Street Improvement Fund as funds of the City separate and distinct from all other funds of the City and shall place the Pledged Revenues therein.

(iv) Any Pledged Revenues commingled with other moneys deposited in the General Fund or the Street Improvement Fund shall be considered last spent. The City shall not expend Pledged Revenues on deposit in the General Fund or the Street Improvement Fund in such a manner as would prevent its making the next ensuing monthly installments to the Principal and Interest Account or any then-required payment to the Reserve Account.

(v) All of the Pledged Revenues shall be subject to the payment of the Debt Service Requirements of all Securities payable from the Pledged Revenues, including reserves therefor, as provided herein or in any instrument supplemental or amendatory hereto.

(b) ***Defense of Legality of Pledged Revenues.*** There is not pending or threatened any suit, action or proceeding against or affecting the City before or by any court, arbitrator, administrative agency or other governmental authority that affects the validity or legality of this Ordinance, the sections of the Code pertaining to the Sales and Use Tax, the imposition and collection of the Sales and Use Tax or any of the City's obligations under this Ordinance or said sections.

The City shall, to the extent permitted by law, defend the validity and legality of the Sales and Use Tax and the sections of the Code pertaining thereto against all claims, suits and proceedings that would diminish or impair the Pledged Revenues.

Except as permitted in this Ordinance, the City has not assigned or pledged the Pledged Revenues in any manner that would diminish the security for payment of the Bonds.

(c) ***Performance of Duties.*** The City, acting by and through its officers, or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Pledged Revenues required by the Constitution and laws of the State, the Charter and the various ordinances, resolutions and contracts of the City, including, without limitation, the proper segregation of the proceeds of the Bonds and the Pledged Revenues and their application from time to time to the respective funds provided thereof.

(d) ***Contractual Obligations.*** The City will perform all contractual obligations undertaken by it under the Bond Purchase Agreement and any other agreements relating to the Bonds and the Pledged Revenues.

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

(f) ***Conditions Precedent.*** Upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution or laws of the United States of America, the Constitution or laws of the State, the Charter or this Ordinance, to exist, to have happened and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened and have been performed, and the Bonds do not contravene any debt or other limitation prescribed by the Constitution or laws of the United States of America, the Constitution or laws of the State or the Charter.

(g) ***Records.*** The City will keep proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the funds and accounts described herein.

(h) ***Protection of Security.*** The City, its officers, agents and employees, shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Debt Service Requirements of the Bonds or any other Securities payable from the Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of the Insurer or any Owner of

any Bond or other Security payable from Pledged Revenues or any security for, or sources of payment of, the Bonds might be materially impaired or diminished.

(i) ***Accumulation of Interest Claims.*** In order to prevent the accumulation of claims for interest after maturity, the City shall not directly or indirectly extend or assent to the extension of the time for the payment of any claim for interest on any of the Bonds or any other Securities payable from the Pledged Revenues; and the City shall not directly or indirectly be a party to or approve any arrangements for any such extension or for the purpose of keeping alive any of such other claims for interest. If the time for the payment of any such installment of interest is extended in contravention of the foregoing provisions, such installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of this Ordinance, except upon the prior payment in full of the principal of all of the Bonds and any such Securities the payment of which has not been extended.

(j) ***Prompt Payment of Bonds.*** The City shall promptly pay the Debt Service Requirements of every Bond on the dates and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

(k) ***Use of Principal and Interest Account and Reserve Account.*** The Principal and Interest Account and the Reserve Account shall be used solely and only, and the moneys credited to such accounts are hereby pledged, for the purpose of paying the Debt Service Requirements of the Bonds, any Additional Parity Bonds or any other Parity Securities at maturity, upon prior redemption or otherwise, subject to the provisions concerning surplus moneys in Section 5(e) hereof and subject to Section 9 hereof.

(l) ***Additional Securities.*** The City shall not hereafter issue any Bonds or Securities payable from the Pledged Revenues without compliance with the requirements with respect to the issuance of Additional Parity Bonds set forth herein to the extent applicable.

(m) ***Other Liens.*** Other than the Outstanding Series 2003 Bonds being paid and discharged through the Refunding Project, there are no liens or encumbrances of any nature whatsoever on or against any of the Pledged Revenues.

(n) ***Surety Bonds.*** Each official or other person having custody of any Pledged Revenues, or responsible for their handling, shall be fully bonded at all times, which Bond shall be conditioned upon the proper application of said moneys.

(o) ***Arbitrage.*** The City shall make no investment or other use of the proceeds of the Series 2013 Bonds at any time during the term thereof that, if such investment or other use had been reasonably expected on the date of issue of the Series 2013 Bonds, would have caused the Series 2013 Bonds to be arbitrage Series 2013 Bonds within the meaning of the Tax Code and the regulations thereunder and shall comply with all the requirements of the Tax Code and said regulations throughout the term of the Series 2013 Bonds.

(p) **Designation.** The City hereby designates the Series 2013 Bonds as “qualified tax-exempt obligations” under Section 265(b) of the Tax Code.

Section 9. Defeasance. When all Debt Service Requirements of the Bonds have duly been paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment when the City has placed in escrow or in trust with a Trust Bank located within or without the State, moneys or Federal Securities in an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all Debt Service Requirements of the Bonds, as the same become due to their respective Maturity Dates or to any Redemption Date as of which the City shall have exercised or shall have obligated itself to exercise its option to redeem Bonds prior to their respective Maturity Dates. The Federal Securities shall be non-callable and non-prepayable and shall become due prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such Trust Bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the Owner thereof to assure such availability as so needed to meet such schedule.

In order to accomplish a defeasance of Bonds under this Section 9, the City shall cause to be prepared and delivered a report of an independent certified public accountant, licensed to practice in the State and acceptable to the Insurer, addressed to the Insurer, verifying the sufficiency of the escrow or trust to pay the Debt Service Requirements of the Bonds defeased on the designated Maturity Dates or Redemption Dates, an escrow or trust agreement in form acceptable to the Insurer and an opinion of nationally recognized bond counsel, addressed to the City, to the effect that the Bonds are no longer Outstanding under this Ordinance.

Nothing herein shall be construed to prohibit a partial defeasance of the Outstanding Bonds in accordance with the provisions of this Section 9.

Section 10. Default Provisions and Remedies of Bond Owners.

(a) **Events of Default.** Each of the following events is hereby declared to be an Event of Default by the City:

(i) **Nonpayment of Principal or Premium.** Payment of the principal of any of the Bonds or any premium due in connection with the redemption thereof is not made when the same becomes due and payable, either at maturity or upon prior redemption, or otherwise;

(ii) **Nonpayment of Interest.** Payment of any installment of interest on any of the Bonds is not made when the same becomes due and payable;

(iii) **Incapacity to Perform.** The City for any reason becomes incapable of fulfilling its obligations hereunder;

(iv) **Nonperformance of Duties.** The City shall have failed to carry out and to perform (or in good faith to begin the performance of) all acts and things

lawfully required to be carried out to be performed by it under any contract relating to the Bonds or the Pledged Revenues, or to all or any combination thereof, or otherwise including, without limitation, this Ordinance, and such failure shall continue for 30 days after receipt of notice from the Insurer or the Owners of 10% in aggregate principal amount of the Bonds then Outstanding;

(v) *Appointment of Receiver.* An order or decree is entered by a court of competent jurisdiction, with the consent or acquiescence of the City, appointing a receiver or receivers for the Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or if any order or decree, having been entered without the consent or acquiescence of the City, is not vacated or discharged or stayed on appeal within 30 days after entry; and

(vi) *Default of Any Provision.* The City makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Ordinance on its part to be performed, and 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 Insurer or the Owners of 10% in aggregate principal amount of the Bonds then Outstanding.

(b) *Remedies for Defaults.* Upon the happening and continuance of any of the Event of Default, the Owner or Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees thereof or, may proceed against the City and its agents, officers and employees to protect and to enforce the rights of any Owner of Bonds under this Ordinance by mandatory injunction or by other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or an operating trustee or for the specific performance of any covenant or agreement contained herein or for any proper legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce the aforesaid rights, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Bond, or to require the City to act as if it were the trustee of an expressed trust, or any combination of such remedies, or as otherwise may be authorized by any statute or other provision of law. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the Bonds, and any Parity Securities then Outstanding. Any receiver or operating trustee appointed in any proceedings to protect the rights of such Owners hereunder, the consent to any such appointment being hereby expressly granted by the City, may collect, receive and apply all Pledged Revenues arising after the appointment of such receiver or operating trustee in the same manner as the City itself might do. Notwithstanding the foregoing or any other applicable provisions of law, no Event of Default shall result in acceleration of any obligation of the City represented by the Bonds.

(c) *Rights and Privileges Cumulative.* The failure of any Owner of any Outstanding Bond to proceed in any manner herein provided shall not relieve the City, or any of its officers, agents or employees of any liability for failure to perform or carry out

any duty, obligation or other commitment. Each right or privilege of any such Owner or any trustee thereof 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 shall not be deemed a waiver of any other right or privilege thereof. Each Owner of any Bond shall be entitled to all of the privileges, rights, and remedies provided or permitted in this Ordinance and as otherwise provided or permitted by law or in equity or by statute, except as provided in Sections 12(a) and (b) hereof, and subject to the applicable provisions concerning the Pledged Revenues and the proceeds of the Bonds. Nothing herein affects or impairs the right of any Owner of any Bond to enforce the payment of the Debt Service Requirements due in connection with his, her or its Bond or the obligation of the City to pay the Debt Service Requirements of each Bond to the Owner thereof at the time and the place expressed in such Bond.

(d) ***Duties Upon Defaults.*** Upon the happening of any of the Events of Default as provided in Section 10(a) hereof, the City, in addition, shall do and perform all proper acts on behalf of and for the Owners of the Outstanding Bonds to protect and to preserve the security created for the payment of their Bonds and to insure the payment of the Debt Service Requirements of the Bonds promptly as the same become due. During any period of default, so long as any of the Bonds, as to any Debt Service Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Pledged Revenues shall be paid into the Principal and Interest Account, or, in the event of Securities hereafter issued and Outstanding during such period of time on a parity with the Bonds, shall be applied as provided in Section 5(c) hereof for all Parity Securities, including the Bonds, on an equitable and prorated basis, and used for the purposes therein provided. If the City fails or refuses to proceed as in this Section 10D provided, the Owner or Owners of not less than 10% in principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Bonds as hereinabove provided; and to that end any such Owners of Outstanding Bonds shall be subrogated to all rights of the City under any agreement or contract involving the Pledged Revenues entered into after the effective date of this Ordinance or thereafter while any of the Bonds are Outstanding. Nothing herein requires the City to proceed as provided herein if it determines in good faith and without any abuse of its discretion that such action is likely materially and prejudicially to affect the Owners of the Outstanding Bonds and any Outstanding Parity Securities.

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

(i) ***Proof of Execution.*** The fact and the date of the execution by any Owner of any Bonds or other Securities or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of any

officer of a bank or trust company satisfactory to the City Clerk or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act that the individual signing such request or other instrument acknowledged to him or her the execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate Owner of any Securities may be established without further proof if such instrument is signed by an individual purporting to be the president or vice-president of such corporation with the corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity.

(ii) *Proof of Ownership.* The amount of Bonds owned by any Person executing any instrument as an Owner of Bonds, and the numbers, dates and other identification thereof, together with the dates of his ownership of the Bonds, shall be determined from the registration books of the City. The amount of other Securities, if applicable, owned by any Person executing any instrument as an Owner of such Securities, and the numbers, dates and other identification thereof, together with the dates of his ownership, if in bearer form, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the City Clerk, executed by a member of a financial firm or by an officer of a bank or trust company, insurance company or financial corporation or other depository satisfactory to the City Clerk, or by any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act, showing at the date therein mentioned that such Person exhibited to such member, officer, notary public or other officer so authorized to take acknowledgments of deeds or had on deposit with such depository the Securities described in such certificate or if in registered form shall be determined from the related registration books; but the City Clerk may nevertheless in his or her discretion require further or other proof in cases where he or she deems the same advisable.

(f) *Warranty Upon Issuance of Bonds.* Any of the Bonds as herein provided, when duly executed and registered for the purposes provided for in this Ordinance, shall constitute a warranty by and on behalf of the City for the benefit of each and every future Owner of any of the Bonds that the Bonds have been issued for a valuable consideration in full conformity with law.

Section 11. Amendment of Ordinance.

(a) *Amendment of Ordinance Not Requiring Consent of Bond Owners.* The City may, without the consent of, or notice to, the Owners of the Bonds, adopt such ordinances supplemental hereto (which amendments shall thereafter form a part hereof) for any one or more or all of the following purposes:

(i) to cure or correct any formal defect, ambiguity or inconsistent provision contained in this Ordinance;

(ii) to appoint successors to the Paying Agent, Registrar or Transfer Agent as provided in Section 3(b)(vi) hereof;

(iii) to designate a trustee for the Owners of the Bonds, to transfer custody and control of the Pledged Revenues to such trustee, and to provide for the rights and obligations of such trustee;

(iv) to add to the covenants and agreements of the City or the limitations and restrictions on the City set forth herein;

(v) to pledge additional revenues, properties or collateral to the payment of the Bonds;

(vi) to qualify an indenture in connection with the Bonds under the Trust Indenture Act of 1939, as amended from time to time; or

(vii) to effect any such other changes hereto as do not in the opinion of nationally recognized bond counsel materially adversely affect the rights of the Owners of the Bonds.

Whenever the Council proposes to supplement or amend this Ordinance under the provisions of this Section 11(a), it shall give notice of the proposed supplement or amendment and provide a copy thereof to S&P at least 15 days prior to its adoption and execution.

(b) ***Amendment of Ordinance Requiring Consent of Bond Owners.*** Exclusive of the amendatory ordinances covered by Section 11(a) hereof, this Ordinance may be amended or modified by ordinances or other instruments duly adopted by the Council, without receipt by it of any additional consideration but with the prior written consent of the Insurer and the Owners of 66% in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory ordinance, provided that no such amendatory ordinance shall permit, without the consent of the owners of 100% in aggregate principal amount of the Bonds then Outstanding:

(i) ***Changing Payment.*** A change in the maturity or in the terms of redemption of the principal of any Outstanding Bond or any installment of interest thereon; or

(ii) ***Reducing Return.*** A reduction in the principal amount of any Bond, the rate of interest thereon, or any premium payable in connection with the redemption thereof, without the consent of the Owner of the Bond; or

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

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

(v) *Priorities Among Bonds or Parity Securities.* The establishment of priorities as among Bonds issued and Outstanding under the provisions of this Ordinance or as among Bonds and other Parity Securities; or

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

Whenever the Council proposes to supplement or amend this Ordinance under the provisions of this Section 11(b), it shall give notice of the proposed supplement or amendment by mailing such notice to the Insurer and to all Owners of Bonds at the addresses appearing on the registration books of the City. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory ordinance or other instrument is on file in the office of the City Clerk for public inspection. It shall also give notice of the proposed supplement or amendment and provide a copy thereof to S&P at least 10 days prior to its adoption and execution.

(c) *Time for and Consent to Amendment.* Whenever at any time within one year from the date of the completion of the notice required to be given by Section 11(b) hereof there shall be filed in the office of the City Clerk an instrument or instruments executed by the Owners of at least 66% in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory ordinance or other instrument described in such notice and shall specifically consent to and approve the adoption of such ordinance or other instrument, thereupon, but not otherwise, the Council may adopt such amendatory ordinance or instrument and such ordinance or instrument shall become effective. If the Owners of at least 66% in aggregate principal amount of the Bonds then Outstanding, at the time of the adoption of such amendatory ordinance or instrument, or the predecessors in title of such Owners, no Owner of any Bond, whether or not such Owner shall have consented to or shall have revoked any consent as herein provided, shall have any right or interest to object to the adoption of such amendatory ordinance or other instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions thereof. Any consent given by the Owner of a Bond pursuant to the provisions thereof shall be irrevocable for a period of six months from the date of the completion of the notice above provided for and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after six months from the completion of such notice, by the Owner who gave such consent or by a successor in title, by filing notice of such revocation with the City Clerk, but such revocation shall not be effective if the Owners of 66% in aggregate principal amount of the Bonds Outstanding as herein provided, prior to the attempted revocation, shall have consented to and approved the amendatory instrument referred to in such revocation.

(d) ***Unanimous Consent.*** Notwithstanding anything in the foregoing provisions contained, the terms and the provisions of this Ordinance, or of any ordinance or instrument amendatory thereof, and the rights and the obligations of the City and of the Owners of the Bonds may be modified or amended in any respect (except as would adversely affect the rights of the Owners of any Parity Securities) upon the adoption by the City and upon the filing with the City Clerk of an instrument to that effect and with the consent of the Owners of all the then Outstanding Bonds, such consent to be given in the manner provided in Section 11(c) hereof; and no notice to Owners of Bonds shall be required as provided in Section 11(b) hereof, nor shall the time of consent be limited except as may be provided in such consent.

(e) ***Exclusion of Bonds.*** At the time of any consent or of other action taken hereunder the Registrar shall furnish to the City Clerk a certificate, upon which the City Clerk may rely, describing all Bonds to be excluded for the purpose of consent or of other action or of any calculation of Outstanding Bonds provided for hereunder, and, with respect to such excluded Bonds, the City shall not be entitled or required with respect to such Bonds to give or obtain any consent or to take any other action provided for hereunder.

(f) ***Notation on Bonds.*** Any of the Bonds delivered after the effective date of any action taken as provided in Section 11(b) hereof, or Bonds Outstanding at the effective date of such action, may bear a notation thereon by endorsement or otherwise in form approved by the Council as to such action; and if any such Bonds so delivered after such date does not bear such notation, then upon demand of the Owner of any Bond Outstanding at such effective date and upon presentation of his Bond for such purpose at the principal office of the City, suitable notation shall be made on such Bond by the City Clerk as to any such action. If the Council so determines, new Bonds so modified as in the opinion of the Council to conform to such action shall be prepared, executed and delivered; and upon demand of the Owner of any Bond then Outstanding, shall be exchanged without cost to such Owner for Bonds then Outstanding upon surrender of such Outstanding Bonds.

(g) ***Proof of Instruments and Bonds.*** The fact and date of execution of any instrument under the provisions of this Section 11, the amount and number of the Bonds owned by any Person executing such instrument, and the date of his registering the same may be proved as provided by Section 10(e) hereof.

Section 12. Miscellaneous.

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

(b) ***No Pledge of Property.*** The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City except for the Pledged

Revenues. No property of the City, subject to such exception with respect to the Pledged Revenues, pledged for the payment of the Bonds, shall be liable to be forfeited or taken in payment of the Bonds.

(c) *Statute of Limitations.* No action or suit based upon any Bond or other obligation of the City shall be commenced after it is barred by any statute of limitations pertaining thereto. Any trust or fiduciary relationship between the City and the Owner of any Bond or the obligee regarding any such obligation shall be conclusively presumed to have been repudiated on the Maturity Date or other due date thereof unless the Bond is presented for payment or demand for payment of such other obligation is otherwise made before the expiration of the applicable limitation period. Any moneys from whatever source derived remaining in any fund or account reserved, pledged or otherwise held for the payment of any such obligation, action or suit, the collection of which has been barred, shall revert to the General Fund or the Street Improvement Fund, as appropriate, unless the Council shall otherwise provide by ordinance. Nothing herein prevents the payment of any such Bond or other obligation after an action or suit for its collection has been barred if the Council deems it in the best interests of the City or the public so to do and orders such payment to be made.

(d) *Delegated Duties.* The officers of the City are hereby authorized and directed to enter into such agreements and take all action necessary or appropriate to effectuate the provisions of this Ordinance and to comply with the requirements of law, including, without limitation:

(i) *Printing.* The printing of the Series 2013 Bonds, including the printing upon or attachment to each such Series 2013 Bond of a copy of the approving legal opinion of Kutak Rock LLP, bond counsel, duly certified by the Registrar;

(ii) *Execution, Authentication, Registration and Delivery.* The execution, authentication and registration of the Series 2013 Bonds and the delivery of the Series 2013 Bonds to the Underwriter pursuant to the provisions of this Ordinance;

(iii) *Information.* The assembly and dissemination of financial and other information concerning the City and the Series 2013 Bonds;

(iv) *Official Statement.* The preparation of a final official statement in substantially the same form as the Preliminary Official Statement for the use of prospective buyers of the Series 2013 Bonds, including, without limitation, the Underwriter; and

(v) *Documents and Certificates.* The execution of the Final Terms Certificate, the Paying Agent Agreement, the Refunding Escrow Agreement, the Letter of Representations and all such certificates and other documents as may be reasonably required by the Underwriter, relating, inter alia, to:

(A) the signing of the Series 2013 Bonds;

- (B) the tenure and identity of the officials of the City;
- (C) if in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Series 2013 Bonds;
- (D) the tax treatment of interest on the Series 2013 Bonds under federal and State income tax laws;
- (E) the delivery of the Series 2013 Bonds; the receipt of the Bond purchase price and the consummation of the Refunding Project; and
- (F) the accuracy and completeness of information provided in the official statement prepared for prospective buyers of the Series 2013 Bonds.

(vi) *Redemption of Series 2003 Bonds.* The redemption of the Series 2003 Bonds, including without limitation the giving of notice of the defeasance and redemption thereof in such manner as provided in the Refunding Escrow Agreement.

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

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

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

(g) **Facsimile Signatures.** Pursuant to the Uniform Facsimile Signature of Public Officials Act, part 1 of article 55 of title 11, Colorado Revised Statutes, as amended, the Mayor, the City Clerk and the City Treasurer shall forthwith, and in any event prior to the time the Series 2013 Bonds are delivered to the Underwriter, file with the Colorado Secretary of State their manual signatures certified by them under oath.

(h) **Ordinance Irrepealable.** This Ordinance is, and shall constitute, a legislative measure of the City and after any of the Series 2013 Bonds are issued, this Ordinance shall constitute an irrevocable contract between the City and the Owner or Owners of the Series 2013 Bonds; and this Ordinance, subject to the provisions of Sections 9 and 11 hereof, if any Series 2013 Bonds are in fact issued, shall be and shall remain irrepealable until the Bonds, as to all Debt Service Requirements, shall be fully paid, cancelled or discharged, as herein provided.

(i) **Ratification.** All action not inconsistent with the provisions of this Ordinance heretofore taken by the City or its officers, and otherwise by the City directed toward the sale and delivery of the Series 2013 Bonds for that purpose, be, and the same hereby is, ratified, approved and confirmed.

(j) **Repealer.** All ordinances, resolutions, bylaws, orders, and other instruments, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance, resolution, bylaw, order, or other instrument, or part thereof, heretofore repealed.

(k) **Severability.** If any section, subsection, paragraph, clause or other provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any of the remaining sections, subsections, paragraphs, clauses or provisions of this Ordinance.

INTRODUCED THIS 17TH DAY OF APRIL, 2013.

CITY OF RIFLE, COLORADO

(CITY)
(SEAL)

By _____
Mayor

ATTEST:

City Clerk

ADOPTED AND ORDERED PUBLISHED THIS 1ST DAY OF MAY, 2013.

CITY OF RIFLE, COLORADO

(CITY)
(SEAL)

By _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney