

RESOLUTION NO. 190 _____ It was moved by Commissioner/Director _____ and duly seconded by Commissioner/Director _____ to adopt the following Resolution:

WHEREAS, the Arapahoe County Water and Wastewater Public Improvement District (the “District”), is a public or quasi-municipal subdivision of the State of Colorado and a body corporate, duly organized and operating under the constitution and laws of the State, including particularly Title 30, Article 20, Part 5, C.R.S., for the purpose, *inter alia*, of constructing certain public improvements to serve customers within and without its jurisdictional boundaries; and

WHEREAS, the District is authorized by Title 30, Article 20, Part 5, C.R.S., to borrow money and incur general obligation indebtedness and evidence the same by bonds, certificates, warrants, notes, and debentures; and

WHEREAS, Article X, Section 20 of the Colorado Constitution provides that voter approval in advance is not required for refinancing district bonded debt at a lower interest rate; and

WHEREAS, Title 30, Article 20, Part 5, C.R.S., provides that a District has the authority to refund any general obligation indebtedness, revenue bonds, or special assessment bonds without an election; and

WHEREAS, the District has previously authorized, executed and delivered its Taxable General Obligation Direct Pay Build America Bonds, Series 2009A, originally issued and currently outstanding in the aggregate principal amount of \$51,075,000 (the “2009A Bonds”) and its Tax-Exempt General Obligation Bonds, Series 2009B, originally issued and currently outstanding in the aggregate principal amount of \$5,000,000 (the “2009B Bonds” or, together with the 2009A Bonds, the “2009 Bonds”); and

WHEREAS, the District is not delinquent in the payment of any of the principal of or interest on the 2009 Bonds; and

WHEREAS, the 2009 Bonds are subject to redemption prior to maturity at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2019, and on any date thereafter, upon the payment of par and accrued interest, without redemption premium; and

WHEREAS, the District desires to refund, pay and discharge the maturities and amounts of the 2009 Bonds as may be designated in a Sale Certificate, as may be advantageous to the District subject to the parameters set forth in herein (the “Refunded Bonds”); and

WHEREAS, the Board has heretofore determined and does hereby determine that it is necessary and in the best interests of the District, and the residents and taxpayers thereof, to refund the Refunded Bonds at a lower interest rate than the bonds to be refunded, to effect a present value savings to the District (the “Refunding Project”) through the issuance by the District of its General Obligation Refunding Bonds (the “Bonds”) in the principal amount to be set forth in the Sale Certificate (as defined herein); and

WHEREAS, the Board has determined and hereby determines that it is in the best interest of the District and public interest and necessity to offer the Bonds for sale through a public bidding process; and

WHEREAS, none of the members of the Board have any potential conflicting interests in connection with the authorization, issuance, or sale of the Bonds, or the use of the proceeds thereof; and

WHEREAS, the Bonds shall be issued pursuant to the provisions of Title 30, Article 20, Part 5, C.R.S., and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

WHEREAS, there have been presented to the District and made available to the Board: (a) the proposed form of the Preliminary Official Statement; (b) the proposed form of the Registrar and Paying Agent Agreement; (c) the proposed form of the Continuing Disclosure Certificate; and

WHEREAS, the Board desires to authorize the issuance of the Bonds and the execution of all ancillary or related documents in connection therewith, and to delegate to any Authorized Officer (both terms as defined herein);

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARAPAHOE COUNTY WATER AND WASTEWATER PUBLIC IMPROVEMENT DISTRICT:

Section 1. Definitions. As used herein, the following capitalized terms shall have the respective meanings set forth below, unless the context indicates otherwise.

Authorized Person: means the Finance Director of the County, acting ex officio as the Chief Financial Officer of the District, or his or her designee, as the chief financial officer of the District, eligible to sign the Sale Certificate pursuant to Section 11-57-205, C.R.S.

Beneficial Owner: any person for which a Participant acquires an interest in the Bonds.

Board: the Board of Directors of the District.

Bonds: the District's General Obligation Refunding Bonds, Series 2019.

Bond Registrar: UMB Bank, n.a., which shall perform the function of registrar with respect to the Bonds.

Bond Fund: General Obligation Refunding Bonds, Series 2019, Bond Fund, established in Section 16 hereof.

Bond Resolution: this resolution which authorizes the issuance of the Bonds.

Business Day: a day on which banks located in the city in which the Principal Office of the Paying Agent is located are not required or authorized to be closed and on which the New York Stock Exchange is not closed.

Cede: Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

Chief Financial Officer: the Director of the Finance Department of Arapahoe County, Colorado, acting ex officio as the chief financial officer of the District, which person is hereby appointed as the chief financial officer of the District within the meaning of §11-57-205, C.R.S.

Code: the Internal Revenue Code of 1986, as amended to the date of issuance of the Bonds.

Continuing Disclosure Certificate: the document pursuant to which the District will undertake to provide certain secondary market disclosures as required by Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, §240.15c2-12).

County: Arapahoe County, Colorado.

C.R.S.: the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

Delegated Authority: the authority delegated to an Authorized Person pursuant to the Section hereof entitled “Authorization; Delegation.”

Depository: any securities depository as the District may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

District: Arapahoe County Water and Wastewater Public Improvement District.

DTC: the Depository Trust Company, New York, New York, and its successors and assigns.

Federal Securities: direct obligations of (including obligations issued or held in book entry form on the books of), or obligations the principal of and interest on which are guaranteed by, the United States of America.

Letter of Representations: the letter of representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

Official Statement: the final version of the Preliminary Official Statement.

Outstanding: as of any date of calculation, all Bonds executed, issued, and delivered by the District except:

a. Bonds cancelled by the District, Paying Agent, or Bond Registrar, or surrendered to the District or Bond Registrar for cancellation;

b. Bonds in lieu of, or in substitution for, which other Bonds shall have been executed, issued and delivered by the District and authenticated by the Bond Registrar unless proof satisfactory to the Bond Registrar is presented that any such Bonds are duly held by the lawful Registered Owners thereof; or

c. Bonds deemed to have been paid within the meaning of the Section hereof entitled "Defeasance".

Owner: the registered owner of any Bond, as shown by the registration books maintained by the Bond Registrar.

Participants: any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

Paying Agent: UMB Bank, n.a., in Denver, Colorado, or its successor, which shall perform the function of paying agent with respect to the Bonds.

Preliminary Official Statement: the Preliminary Official Statement concerning the Bonds and the District.

Presiding Officer: the presiding officer of the District under §30-20-510, C.R.S.

Purchaser: the purchaser of the Bonds as designated in the Sale Certificate.

Rating Agency: any nationally recognized municipal bond rating agency which, pursuant to the request of the District, maintains a rating on the Bonds.

Record Date: the fifteenth (15th) day of the calendar month next preceding each interest payment date, whether or not a Business Day.

Redemption Date: the earliest date on which the Refunded Bonds may be called for prior redemption.

Refunded Bond Requirements: the payment of (i) the interest due on the Refunded Bonds, both accrued and not accrued, as the same become due on and after the date of delivery of the Bonds and on and before maturity or prior redemption on the Redemption Date; (ii) principal of the Refunded Bonds upon maturity or prior redemption on the Redemption Date, and (iii) any prior redemption premium as specified in the Sale Certificate.

Refunded Bonds: any of the 2009 Bonds as so designated in the Sale Certificate.

Refunding Project: (a) the payment of the Refunded Bond Requirements; and (b) the payment of the costs of issuing the Bonds.

Registrar and Paying Agent Agreement: the agreement between the District and the Paying Agent/Bond Registrar, concerning the registration, transfer, exchange, and payment of the Bonds.

Sale Certificate: a certificate executed by an Authorized Officer pursuant to the Delegated Authority, dated on or before the date of delivery of the Bonds, setting forth the matters to be determined pursuant to the Delegated Authority.

Secretary: the County Clerk and Recorder of the County, or his or her designee, acting *ex officio* as the Secretary of the District.

Tax Certificate: a certificate executed by the District relating to the requirements of Sections 103 and 141-150 of the Code, including any amendments or supplements thereto made in accordance with the terms thereof.

Special Record Date: the record date for determining Bond ownership for purposes of paying defaulted interest, as such date may be determined pursuant to this Bond Resolution.

Supplemental Act: the “Supplemental Public Securities Act”, being Title 11, Article 57, Part 2, C.R.S.

Treasurer: the person serving as treasurer for the District as provided by §30-20-510, C.R.S.

Section 2. Authorization; Election to Apply Supplemental Act. In accordance with the Constitution of the State of Colorado; the Supplemental Act; Title 30, Article 20, Part 5, C.R.S.; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Bonds for the purposes of: (a) financing the Refunding Project; and (b) paying other costs in connection with the Bonds. The Bonds shall constitute general obligations of the District, and the full faith and credit of the District is hereby pledged for their payment. The Bonds shall be issued in the aggregate principal amount approved by an Authorized Person in the Sale Certificate. The District hereby elects to apply all of the provisions of the Supplemental Act to the Bonds.

Section 3. Delegated Authority and Parameters.

(a) Pursuant to §11-57-205, C.R.S., of the Supplemental Act the Board hereby delegates to any Authorized Officer the authority to sign the Sale Certificate, and to make the following determinations with respect to the Bonds, subject to the parameters and restrictions set forth in this Section (the “Delegated Authority”):

- (i) the rate or rates of interest on the Bonds;
- (ii) the conditions on which and the prices at which the Bonds may be redeemed before maturity;
- (iii) the existence and amount of any capitalized interest or reserve funds,

- (iv) the price or prices at which the Bonds will be sold;
- (v) the principal amount of the Bonds;
- (vi) the amount of principal maturing in any particular year; and
- (vii) the dates on which principal and interest shall be paid;

(viii) whether the Bonds will be secured by a municipal bond insurance policy or other assurance of payment as described in §11-57-207 (2), C.R.S., and the terms of any agreement with the third party providing the municipal bond insurance policy or other such assurance of payment, if any.

(b) The foregoing is subject to the following parameters and restrictions:

- (i) The principal amount of the Bonds shall not exceed \$56,075,000;
- (ii) the interest rate on the Bonds shall be such that the Bonds bear interest at a net effective interest rate which does not exceed 4.50% per annum;
- (iii) the maximum annual and total repayment cost of the Bonds shall not exceed \$14,348,180 and \$119,629,837 respectively;
- (iv) the sale price of the Bonds shall be an amount not less than 95% of the aggregate principal amount of the Bonds; and
- (v) the Bonds shall mature not later than December 1, 2039.

Section 4. Bond Details. The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations, provided that no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date. Unless the District shall otherwise direct, the registered Bonds shall be numbered separately from 1 upward within each series, with the number of each Bond preceded by “R-”. The Bonds shall be dated as of the date of issuance.

The Bonds shall be dated as of the date of delivery, and shall bear interest, calculated on the basis of a 360-day year of twelve 30-day months, at the rate or rates and payable on the date or dates set forth in the Sale Certificate, and shall mature on the date or dates, and be subject to prior redemption, all as determined by the Sale Certificate.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Bond. Notwithstanding the foregoing or anything else herein to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

Section 5. Payment of Bonds; Paying Agent and Bond Registrar. The principal of and premium, if any, on the Bonds are payable in lawful money of the United States of America to the Owner of each Bond upon maturity or prior redemption and presentation at the principal office of the Paying Agent. The interest on any Bond is payable to the person in whose name such Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Bond Registrar, at the close of business on the Record Date, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Bond Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owners of the Bonds not less than ten (10) days prior to the Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Bond Registrar on a date selected by the Bond Registrar. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such defaulted interest.

Interest payments shall be paid by check, draft or wire of the Paying Agent sent on or before the interest payment date to the Owners. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Paying Agent; provided that the District shall not be required to make funds available to the Paying Agent prior to the dates on which such interest would otherwise be payable hereunder, nor to incur any expenses in connection with such alternative means of payment.

The principal of, premium if any, and interest on the Bonds shall be paid in accordance with the terms of the Registrar and Paying Agent Agreement and the Letter of Representations.

Section 6. Prior Redemption. The Bonds shall be subject to redemption prior to maturity, if at all, on the date or dates, at the redemption prices, and in accordance with such procedures as may be set forth in the Sale Certificate.

In the event any of the Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Bond Registrar by sending a copy of the redemption notice by electronic means, not less than thirty (30) days prior to the date fixed for redemption, to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Bond Registrar. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice. Failure to give such notice to any Owner, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Section 7. Book-Entry System. The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each maturity and interest rate. Upon initial

issuance, the ownership of each such Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede.

With respect to Bonds registered in the name of Cede or held by a Depository, the District, the Bond Registrar, and the Paying Agent shall have no responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or person other than the Owner, of any notice concerning the Bonds, including notice of redemption; or (iii) the payment to any Participant, Beneficial Owner, or person other than the Owner, of the principal of and interest on or in connection with the Bonds. The District, the Bond Registrar, and the Paying Agent may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest with respect to such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium if any, and interest on or in connection with the Bonds only to or upon the order of the Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the payment of the same. No person, other than an Owner, shall receive a certificated Bond evidencing the obligations of the District pursuant to this Bond Resolution.

DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the District or, if the Board determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the District that the Beneficial Owners be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

Section 8. Form and Execution of Bonds. The Bonds shall be signed with the facsimile or manual signature of the Presiding Officer of the District, sealed with a facsimile or manual impression of the seal of the District, and attested by the facsimile or manual signature of the Secretary of the District. Should any officer whose facsimile or manual signature appears on the Bonds cease to be such officer before delivery of the Bonds to a purchaser, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

The Bonds shall recite that they are issued under the authority of Title 11, Article 57, Part 2, C.R.S. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

The Bonds shall be in substantially the form set forth in Exhibit A attached hereto and incorporated herein by this reference.

Section 9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Bond Resolution unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth shall have been duly executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Bond Resolution. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 10. Delivery of Bonds. Upon the adoption of this Bond Resolution, the District shall execute the Bonds and deliver them to the Bond Registrar, and the Bond Registrar shall authenticate the Bonds and deliver them to the purchasers thereof, as directed by the District.

Section 11. Registration, Exchange, and Transfer of Bonds; Persons Treated as Owners. The Bond Registrar shall maintain the books of the District for the registration of ownership of each Bond as provided in this Bond Resolution. Bonds may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity and series of a like aggregate principal amount. Bonds may be transferred upon the registration books upon delivery of the Bonds to the Bond Registrar, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the Owner of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. No transfer of any Bond shall be effective until entered on the registration books.

In all cases of the transfer of a Bond, the Bond Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same series, maturity, and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The Bond Registrar shall charge the Owner of a Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

The District and Bond Registrar shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing interest payment date; or (b) during the period beginning at the opening of business on a date forty-five (45) days prior to the date of any redemption of Bonds and ending at the opening of business on the first business day following the day on which the applicable notice of redemption is mailed. The Bond Registrar shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the District, evidencing the same obligation as the Bonds surrendered, shall be secured by this

Bond Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The District, the Paying Agent, and the Bond Registrar may deem and treat the registered Owner of any Bond as the absolute owner thereof for all purposes (whether or not such Bond shall be overdue), and any notice to the contrary shall not be binding upon the District, the Paying Agent, or the Bond Registrar.

Section 12. Cancellation of Bonds. Whenever any Bond shall be delivered to the Bond Registrar for cancellation pursuant to this Bond Resolution and upon payment of the principal amount and interest represented thereby, or whenever any Bond shall be delivered to the Bond Registrar for transfer or exchange pursuant to the provisions hereof, such Bond shall be cancelled by the Bond Registrar in accordance with the customary practices of the Bond Registrar and applicable retention laws.

Section 13. Lost Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced by the Bond Registrar in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, and present such proof of ownership and loss as may be required by applicable law, or in the absence of specific requirements, as may be required by the Bond Registrar.

Section 14. Disposition and Investment of Proceeds. The Bonds shall be issued and sold for the purposes aforesaid. Neither the Purchaser nor any subsequent Owners of the Bonds shall be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof. All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are lawful investments.

Section 15. Covenants with Owners.

(i) The District covenants for the benefit of the Owners that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, or (iii) would cause interest on the Bonds to lose its exclusion from Colorado taxable income and Colorado alternative minimum taxable income under present state law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Code have been met.

(ii) The District also covenants for the benefit of each Owner that it will annually prepare or cause to be prepared a budget and an audit report, will annually file or cause to be filed with the appropriate State agency a copy of the adopted budget, the appropriation resolution and audit report, all in accordance with State law.

(iii) The District covenants for the benefit of the Owners, including Beneficial Owners, that it will comply with the Continuing Disclosure Certificate which will be executed by District officers in connection with the delivery of the Bonds.

Section 16. Creation of Funds. There are hereby created and established the Bond Fund, which shall be established and maintained by the District (under such fund or funds as may be determined by the District) in accordance with the provisions of this Bond Resolution.

Section 17. Initial Credits to Funds. Immediately upon issuance of the Bonds and from the proceeds thereof, and after payment of the Purchaser's discount and the other costs of issuing the Bonds, the District shall apply such remaining proceeds to the credit of the Paying Agent, for the payment of the Refunded Bond Requirements, such amount as is necessary to fully refund, redeem and discharge the Refunded Bonds on the Redemption Date.

Section 18. Prior Redemption of the Refunded Bonds. Subject to the issuance of the Bonds, the Board does hereby declare its intent to exercise on behalf of and in the name of the District its option to redeem all of the Refunded Bonds on the Redemption Date, as specified in the Sale Certificate, which is the earliest date or dates on which the Refunded Bonds can be called and redeemed; provided, however, that, to the extent some action has prior to the date hereof been taken in furtherance of the exercise of such option, the Board does hereby ratify such action. The Board hereby authorizes the Authorized Person to irrevocably instruct the Paying Agent, as paying agent for the Refunded Bonds, to give or cause to be given a notice, which may be conditional, of refunding, defeasance and redemption of the Refunded Bonds

Section 19. Pledge of Ad Valorem Taxes. There shall be deposited to the Bond Funds moneys which, when combined with other moneys therein, will be sufficient to pay the principal of, premium if any, and interest on the Bonds when due. Moneys credited to the Bond Funds shall be used solely to pay the principal of, premium if any, and interest on the Bonds.

For the purpose of paying the principal of, premium if any, and interest on the Bonds as the same become due and payable respectively, there shall be levied on all taxable property in the District and on any other property subject to the property tax of the District, in addition to all other taxes, direct annual taxes in amounts sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable.

The taxes levied for the purpose of paying the principal of, premium if any, and interest on the Bonds shall be credited to the Bond Funds and applied solely for the payment of the principal of and interest on the Bonds, until the Bonds shall be fully paid, satisfied, and discharged. Nothing herein contained shall be so construed as to prevent the District from applying any other funds or revenues that may be in the treasury of the District and available for that purpose, to the payment of the principal of, premium if any, and interest on the Bonds, and upon the application of any other such funds or revenues as aforesaid, the mill levy or levies herein provided may thereupon to that extent be diminished.

The foregoing provisions of this Bond Resolution are hereby declared to be the certificate of the Board to the board or boards of county commissioners of each county in which taxable real or personal property of the District is located, showing the aggregate amount of taxes to be levied for the purposes aforesaid by said board or boards of county commissioners from time to time, as required by law, for the purpose of reimbursing said advance and paying the principal of, premium if any, and interest on the Bonds when due.

The amounts necessary to pay all costs and expenses incidental to the issuance of the Bonds, and to pay the principal of, premium if any, and interest on the Bonds when due, are hereby appropriated for said purposes, and such amounts as appropriate for each year shall also be included in the annual budget and the appropriation resolutions to be adopted and passed by the Board in each year, respectively, until the Bonds have been fully paid, satisfied, and discharged.

It shall be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, if such action shall be necessary to effectuate the provisions of this Bond Resolution, to ratify and carry out the provisions hereof with reference to the levying and collection of taxes; and the Board shall levy, certify, and collect said taxes in the manner provided by law for the purpose of funding the Bond Funds for the payment of the principal of, premium if any, and interest on the Bonds, and said taxes, when collected, shall be kept for and applied only to the payment of the principal of, premium if any, and interest on the Bonds as herein specified.

Moneys credited to the Bond Funds may be invested or deposited in accordance with the laws of the State of Colorado. The investment of moneys credited to the Bond Funds shall, however, be subject to the covenants and provisions of the Section hereof entitled "Covenants with Owners".

Section 20. Defeasance. If, when the Bonds shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), then this Bond Resolution and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall, prior to the maturity or redemption date thereof, be deemed to have been provided for within the meaning and with the effect expressed in this Section if (a) in case said Bond is to be redeemed on any date prior to its maturity, the District shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 6 hereof notice of redemption of such Bond on said redemption date, such notice to be given in accordance with the provisions of Section 6 hereof, (b) there shall have been deposited with the Paying Agent or a commercial bank exercising trust powers either moneys in an amount which shall be sufficient, or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Paying Agent or other commercial bank exercising trust powers at the same time, shall be sufficient to pay when due the principal of and interest due and to become due on said Bond on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the District shall have given the Paying Agent in

form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 6 hereof, a notice to the Owner of such Bond that the deposit required by (b) above has been made with the Paying Agent or other commercial bank exercising trust powers and that payment of said Bond has been provided for in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and interest due on said Bond. Neither such securities nor moneys deposited with the Paying Agent or other commercial bank exercising trust powers pursuant to this section or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest due on said Bond; provided any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other commercial bank exercising trust powers, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in (b) of this paragraph maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on said Bond on or prior to such redemption date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Bond Resolution, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other commercial bank exercising trust powers.

The release of the obligations of the District under this section shall be without prejudice to the right of the Paying Agent to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of and performance of its powers and duties hereunder.

Upon compliance with the foregoing provisions of this section with respect to all Bonds Outstanding, this Bond Resolution may be discharged in accordance with the provisions of this section but the liability of the District in respect of the Bonds shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Federal Securities deposited with the Paying Agent or other commercial bank exercising trust powers as provided in this Section.

Section 21. Permitted Amendments to Bond Resolution. The District may, without the consent of or notice to the Owners, adopt amendments or supplements to this Bond Resolution, which amendments or supplements shall thereafter form a part hereof, for any one or more of the following purposes:

(a) to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in this Bond Resolution, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under this Bond Resolution, or to make any provisions for any other purpose, if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Bonds;

(b) to subject to this Bond Resolution or pledge to the payment of the Bonds additional revenues, properties, or collateral; and

(c) to grant or confer upon the Owners any additional rights, remedies, powers, or authority that may be lawfully granted to or conferred upon the Owners.

For the purposes of paragraph (a) hereof, if each Rating Agency confirms in writing that any proposed amendment or supplement, in and of itself, will not result in a downgrade in the then current ratings on the Bonds, such proposed amendment or supplement shall be deemed to not materially adversely affect the interests of the Owners of the Bonds.

Section 22. Amendments Requiring Consent of Owners. Except for amendatory or supplemental resolutions adopted pursuant to the Section hereof entitled “Permitted Amendments to Bond Resolution”, the Owners with respect to not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the adoption by the District of such resolutions amendatory or supplemental hereto as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Bond Resolution; provided however, that without the consent of the Owners of all the Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting:

(a) a change in the terms of the maturity of any Bond, in the principal amount of any Bond or the rate of interest thereon, or in the terms of prior redemption of any Bond;

(b) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of, premium if any, or interest on the Bonds when due;

(c) a privilege or priority of any Bond or any premium or interest payment over any other Bond or premium or interest payment; or

(d) a reduction in the percentage in principal amount of the Bonds the consent of whose Owners is required for any such amendatory or supplemental resolution.

If at any time the District shall desire to adopt an amendatory or supplemental resolution for any of the purposes of this Section, the District shall cause notice of the proposed adoption of such amendatory or supplemental resolution to be given by electronic means to the Purchaser and to each Owner of a Bond at the address shown on the registration books of the Bond Registrar, prior to the proposed date of adoption of any such amendatory or supplemental resolution. Such notice shall briefly set forth the nature of the proposed amendatory or supplemental resolution and shall state that copies thereof are on file at the offices of the District or some other suitable location for inspection by all Owners. If the Owners of not less than the required percentage in aggregate principal amount of the Bonds then outstanding at the time of the execution of any such amendatory or supplemental resolution shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the adoption and effectiveness thereof, or to enjoin or restrain the District from adopting the same or from taking any action pursuant to the provisions thereof.

Section 23. Effect of Amendment. Upon the execution of any amendatory or supplemental resolution pursuant to this Bond Resolution, this Bond Resolution shall be deemed

to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Bond Resolution of the District, the Bond Registrar, the Paying Agent, and all Owners of Bonds then outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

Section 24. Removal or Resignation of Bond Registrar or Paying Agent; Successors. The Paying Agent and Bond Registrar may resign, or may be removed by the District at any time, with or without cause. In the event of the removal or resignation of the Bond Registrar or Paying Agent, the District shall appoint a successor as soon thereafter as may be practicable, and in such event, shall give written notice thereof to each Owner by mailing to the addresses shown on the registration books for the Bonds. Any successor Paying Agent shall:

- (a) be a trust company or bank in good standing located in or incorporated under the laws of the State of Colorado;
- (b) be duly authorized to exercise trust powers;
- (c) be subject to examination by a federal or state authority; and
- (d) maintain a reported capital and surplus of not less than ten million dollars (\$10,000,000).

Section 25. Authorization of a Municipal Bond Insurance Policy. To the extent that a municipal bond insurance policy is issued in connection with any of the Bonds, as determined pursuant to the Delegated Authority, the officers of the District are hereby authorized and directed to take all actions necessary to cause any bond insurer to issue such policy, including without limitation, payment of the premium due in connection therewith, and the execution of any commitments, agreements, representations, or covenants necessary or appropriate in connection with the issuance of such policy. The commitments, agreements, representations, or covenants to be made to the issuer or issuers of any policy shall be included in the Sale Certificate, and such matters shall be deemed to be incorporated by reference into this Bond Resolution as if fully set forth herein.

Section 26. Authorization to Execute Documents. The Presiding Officer and Secretary of the District shall, and they are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Bond Resolution, including, but not limited to, the execution of the Registrar and Paying Agent Agreement, and the Continuing Disclosure Certificate in substantially the forms presented to this meeting of the Board, and such certificates and affidavits as may be reasonably required. The execution by the Presiding Officer of the District of any document authorized herein shall be conclusive proof of the approval by the District of the terms thereof.

Any Authorized Officer is hereby authorized and directed to execute and deliver the Sale Certificate and to determine and approve the final determinations for the Bonds to be made therein.

Section 27. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid either from the proceeds of the Bonds

(subject to the provisions of the Tax Certificate) or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 28. Official Statement. The Preliminary Official Statement is hereby authorized and approved. The Preliminary Official Statement is hereby deemed by the Board to be final as of its date within the meaning of Rule 15c2-12(b)(1) of the U.S. Securities and Exchange Commission. The Board hereby authorizes the preparation and distribution of a final Official Statement in conjunction with an offer of the Bonds to the public. The Official Statement shall contain such corrections and additional or updated information so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Presiding Officer of the District is hereby authorized to execute copies of the Preliminary Official Statement and the Official Statement on behalf of the District.

Section 29. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Bonds provided herein shall be governed by §11-57-208 of the Supplemental Act and this Bond Resolution. The amounts pledged to the payment of the Bonds shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have the priority described herein. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 30. No Recourse against Officers and Agents. Pursuant to §11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 31. Conclusive Recital. Pursuant to §11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 32. Limitation of Actions. Pursuant to §11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than thirty days after the issuance or authorization of such securities, whichever occurs later.

Section 33. Holidays. If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the

principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed.

Section 34. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Bond Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds, are hereby ratified, approved, and confirmed.

Section 35. Bond Resolution Irrepealable. After any of the Bonds have been issued, this Bond Resolution shall constitute a contract between the Owners and the District, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided.

Section 36. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Bond Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 37. Severability. If any section, paragraph, clause, or provision of this Bond Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Bond Resolution, the intent being that the same are severable.

Section 38. Effective Date. This Bond Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED This 12th day of November, 2019.

(S E A L)

Presiding Officer

ATTESTED:

Secretary

EXHIBIT A

to

BOND RESOLUTION

[Form of Bond]

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

No. R- _____

\$ _____

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

**ARAPAHOE COUNTY WATER AND WASTEWATER PUBLIC IMPROVEMENT
DISTRICT**

GENERAL OBLIGATION REFUNDING BOND, SERIES 2019

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
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REGISTERED OWNER:

PRINCIPAL AMOUNT:

Arapahoe County Water and Wastewater Public Improvement District (the “District”), in the State of Colorado, a public improvement district duly organized and operating under the constitution and laws of the State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. In like manner the District promises to pay interest on such principal amount (computed on the basis of a 360-day year of twelve 30-day months) at the interest rate per annum specified above, on ____ and ____ each year, commencing on _____, until the principal amount is paid at maturity or upon prior redemption. The principal of this Bond and premium, if any, are payable in lawful money of the United States of America to the registered owner hereof upon maturity or prior redemption and presentation at the principal office of UMB Bank, n.a., in Denver, Colorado, or its successor, as Paying Agent.

Payment of each installment of interest shall be made to the registered owner hereof whose name shall appear on the registration books of the District maintained by or on behalf of the District by UMB Bank, n.a., in Denver, Colorado, or its successor, as Bond Registrar, at the close of business on the fifteenth day of the calendar month next preceding each interest payment date (the "Record Date"), and shall be paid by check or draft of the Paying Agent mailed on or before the interest payment date to such registered owner at his address as it appears on such registration books. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Paying Agent as provided in the resolution authorizing the issuance of this Bond (the "Bond Resolution"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (the "Special Record Date") established for the payment of any defaulted interest. Notice of the Special Record Date and the date fixed for the payment of defaulted interest shall be given by first-class mail to the registered owner hereof as shown on the registration books on a date selected by the Bond Registrar.

This Bond is one a series aggregating \$_____ par value, all of like date, tenor, and effect, issued by the Board of Directors of Arapahoe County Water and Wastewater Public Improvement District, in the State of Colorado, for the purpose of paying the costs of providing certain water and wastewater improvements for the District, by virtue of and in full conformity with the Constitution of the State of Colorado; Title 30, Article 20, Part 5, C.R.S.; Title 11, Article 57, Part 2, C.R.S.; and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution. Pursuant to §11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officers of the District in the issuance of this Bond; that the total indebtedness of the District, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of Colorado; and that provision has been made for the levy and collection of annual taxes sufficient to pay the interest on and the principal of this Bond when the same become due.

This Bond constitutes a general obligation of the District, and the full faith and credit of the District is pledged for its payment.

THIS BOND IS AN OBLIGATION OF THE DISTRICT ONLY, AND UNDER NO CIRCUMSTANCES SHALL THIS BOND BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION, OR LIABILITY OF ANY OTHER GOVERNMENTAL ENTITY, INCLUDING WITHOUT LIMITATION ARAPAHOE COUNTY OR ANY MUNICIPALITIES OR OTHER GOVERNMENTAL ENTITIES IN WHICH THE DISTRICT IS LOCATED.

Reference is hereby made to the Bond Resolution and that certain "Sale Certificate" executed pursuant to the Bond Resolution for an additional description of the nature and extent of the security for the Bonds, the funds and revenues pledged to the payment thereof, the rights and

remedies of the registered owners of the Bonds, the manner in which the Bond Resolution may be amended, and the other terms and conditions upon which the Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary.

Bonds of this issue are subject to redemption prior to maturity at the time or times, in the manner, and upon payment of the amounts set forth in the certain Sale Certificate executed pursuant to the Bond Resolution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the authorizing Bond Resolution until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN TESTIMONY WHEREOF, the Board of Directors of Arapahoe County Water and Wastewater Public Improvement District has caused this Bond to be signed by the manual or facsimile signature of the Presiding Officer of the District, sealed with a manual impression or a facsimile of the seal of the District, and attested by the manual or facsimile signature of the Secretary thereof, all as of _____, 2019.

(S E A L)

**ARAPAHOE COUNTY WATER AND
WASTEWATER PUBLIC
IMPROVEMENT DISTRICT**

By: _____
Presiding Officer

ATTESTED:

By: _____
Secretary

[Form of Bond Registrar's Certificate of Authentication for Bonds]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Bond Resolution.

Date of Registration and Authentication:

UMB BANK, N.A.
Denver, Colorado
as Bond Registrar

Authorized Signatory

[Form of Transfer for Bonds]

ASSIGNMENT

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

Name and address of Assignee:

Social Security or Federal Employer
Identification Number of Assignee:

the within Bond and does hereby irrevocably constitute and appoint _____,
attorney, to transfer said Bond on the books kept for registration thereof with full power of
substitution in the premises.

Dated: _____

Signature of Registered Owner:

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

Signature guaranteed:

(Bank, Trust Company, or Firm)

EXCHANGE OR TRANSFER FEES MAY BE CHARGED

[End of Form of Transfer]

[Form of Prepayment Panel]

PREPAYMENT PANEL

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

Date of
Prepayment

Principal
Prepaid

Signature of
Authorized Representative
of the Depository

[End of Form of Prepayment Panel]

[End of Form of Bond]