

AGENDA

Denver Board of Water Commissioners

Denver Water Board Room, 1600 W 12th Avenue, Denver, CO 80204 and

Video Conference: <http://zoom.us/join>, Meeting ID: 882 3417 6376 - Passcode: 600590 or

Dial in (669) 900-6833 - Meeting ID: 882 3417 6376 - Passcode: 600590

Members of the public are welcome to attend either in person or by video conference

Wednesday, June 28, 2023 9:00 a.m.

I. INTRODUCTORY BUSINESS

A. Call to Order and Determination of Quorum

B. Public Comment and Communications

At this point in the agenda, the Board may allow members of the public to address the Board on any item of interest within the jurisdiction of the Board, and not on the agenda for action. Speakers wishing to address a specific Action Item will be invited to address the Board when the item is being considered. Three minutes are allowed for each person unless the President determines otherwise.

1. Distributor Communications
2. Citizen Advisory Committee Communications

C. Ceremonies, Awards, and Introductions

II. ACTION ITEMS

A. Consent Items

Items listed below are considered routine and may be enacted by one motion and vote. If any Board member desires discussion beyond explanatory questions, or corrections to the Minutes, the President may order that item to be considered in a separate motion and vote.

1. Butler Snow, LLP Bond Counsel – Contract 505750
2. Amendment of Financial Advisory Services with Piper Sandler & Co. – Contract 505264

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B. Individual Approval Items

- | | | |
|--|-----------------|------------|
| 1. Approval of Authorizing Resolution for Amended and Restated Master Bond Resolution 06-28-23 | Alix Joseph | 10 minutes |
| 2. Snow Water Supply Forecasting Grant | Taylor Winchell | 10 minutes |

III. POLICY MATTERS

- A. Gross Reservoir Expansion Update** Jeff Martin 15 minutes

IV. EXECUTIVE UPDATE

- A. CEO Update**
- B. CFO Update** - Financial Report - May 31, 2023
- C. Operations Update**

V. BRIEFING PAPERS & REPORTS

- A. Briefing Paper**
- B. Report**
 - 1. Lead Reduction Program
 - 2. Northwater Treatment Plant

VI. ADJOURNMENT

VII. TRUSTEE MATTERS

VIII. EXECUTIVE SESSION

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by D.R.M.C Sec. 2-34.

- A. Confidential Report**

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 28, 2023

Board Item: II-A-1

Butler Snow, LLP Bond Counsel Contract 505750

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to contract with Butler Snow, LLP to serve as bond counsel in connection with the issuance of revenue bond/notes and other securities and to advise on federal funding requirements. Traditionally, bond counsel has advised Denver Water in structuring the issuance and sale of bonds, notes, certificates of participation, and other securities, as well as providing necessary legal assistance related to various financings. Bond Counsel works closely with Denver Water's financing team that includes the Treasurer and her staff, the Office of General Counsel, Denver Water's financial advisor, registrars/paying agents, selected underwriting teams, underwriters' counsel, and other related parties.

In addition to serving as Bond Counsel, Butler Snow has provided as-needed advice regarding compliance with federal regulations associated with federal funding. Their expertise has aided Denver Water staff in setting up the Federal Award Policy and Procedure and applying for the SRF loan to finance a portion of the LRP. This contract allows the Office of General Counsel to continue to use their expertise when federal funding issues arise.

Budget and Schedule:

The total amount of this contract is \$750,000 and the term of the contract is June 28, 2023 through December 31, 2028. Funds for this contract will come from the 2023 budget for the Debt related costs and Office of General Counsel business units, which have sufficient funds to pay the \$215,000 estimated to be needed in 2023. The remaining \$535,000 will be budgeted in years 2024 through 2028.

Selection of Business Partner:

Attorney services are not subject to competitive selection. In 2019, Finance and OGC hired both disclosure counsel and bond counsel after a competitive selection process. Staff is recommending staggering a new competitive selection for bond counsel with other consultants to provide continuity for the financing team. Disclosure Counsel's contract expires at the end of this year, the Financial Advisor's contract expires in 2024, and we anticipate that both of those services will go out for competitive selection upon expiration. This contract would not expire until 2028.

S/MWBE Information:

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item.

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Recommendation:

Staff recommends that the Board approve Contract 505750 with Butler Snow, LLP for the contract period June 28, 2023 through December 31, 2028 for a total contract amount not to exceed \$750,000.

Approvals

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input checked="" type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 28, 2023

Board Item: II-A-2

Amendment of Financial Advisory Services with Piper Sandler & Co. Contract 505264

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to recommend the Board approve a contract amendment with Piper Sandler & Co. (the Consultant) for financial advisory services in connection with the issuance of revenue bonds, notes, and other securities for the Board. This amendment expands the scope of services to include the structuring of the Commercial Paper program, assistance with counterparty/vendor selection process, document review, development of rating presentations and ongoing program pricing assistance.

Budget and Schedule:

The total amount of this amendment is \$130,000, for a total amended contract amount not to exceed \$430,000, and the term of the contract is May 23, 2022, through June 30, 2024. Funds for this service/contract will come from the 2023 overall budget for debt issuance, which has sufficient funds to pay the \$275,000 estimated for 2023. The remaining \$35,000 will be budgeted in 2024.

Selection of Business Partner:

Denver Water competitively bid financial advisory services in 2018 and selected George K. Baum & Company, later acquired by Stifel Nicolaus & Company. When Denver Water's financial advisor left Stifel Nicolaus in early 2022, Denver Water entered into a two-year contract with Piper Sandler to ensure continuity of bond issuance work underway. This amendment to the contract is due to a change of scope of services to implement a Commercial Paper program in 2023.

S/MWBE Information:

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item.

Recommendation:

Staff recommends the Board approve the First Amendment to Contract 505264 with Piper Sandler & Co. for financial advisory services for a change in scope of services and the addition of \$130,000 for a total amended contract amount not to exceed \$430,000.

Approvals

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input checked="" type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 28, 2023

Board Item: II-B-1

Approval of Authorizing Resolution for Amended and Restated Master Bond Resolution 06-28-23

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to recommend the Board approve the Resolution Authorizing Amendment and Restatement of the Master Bond Resolution 06-28-23.

The Master Bond Resolution establishes general provisions related to the issuance of Denver Water's revenue bonds, including a pledge of net revenues, conditions for issuance of additional securities, description of bond covenants, and events of default and remedies. The best practice is to review the Master Bond Resolution every five years and make changes as necessary. The Amended and Restated Bond Resolution reflects Bond Counsel's recommended changes.

The Amended and Restated version (06-28-23) provides additional clarification on treatment of lease obligations, subordinate lien structure of short-term debt instruments, and a few other enhancements to the Board's Master Bond Resolution adopted on March 22, 2017, and previously amended, and the restatement in full of the Master Bond Resolution.

For your convenience, we have attached a redline showing changes made to the 2017 version of the Master Bond Resolution.

Budget and Schedule:

There is no budgetary impact from the amendment of Master Bond Resolution. Each supplemental resolution, adopted under the Master Bond Resolution, specifies the amount of issuance for individual series and is part of the budget for that year.

Recommendation:

Staff recommends that the Board approve the Amended Master Bond Resolution dated 06-28-2023.

Approvals

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input checked="" type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

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TITLE: AMENDED AND RESTATED MASTER BOND RESOLUTION

A RESOLUTION DESIGNATED BY THE SHORT TITLE "RESOLUTION (06-28-23) AUTHORIZING AMENDMENT AND RESTATEMENT OF MASTER BOND RESOLUTION"; AUTHORIZING CERTAIN AMENDMENTS TO THE MASTER BOND RESOLUTION RELATING TO THE ISSUANCE OF PARITY BONDS AND THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED MASTER BOND RESOLUTION; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

ADOPTED AND APPROVED ON JUNE 28, 2023, BY THE CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

Craig S. Jones, Board President

James S. Lochhead, Secretary

Adopted by the Board on June 28, 2023

ARTICLE I DEFINITIONS AND RECITALS

Section 1.01. Short Title. This resolution shall be known as and may be cited by the short title "Resolution (06-28-23) Authorizing Amendment and Restatement of Master Bond Resolution."

Section 1.02. Definitions.

(a) All defined terms in this Resolution have the meanings set forth in the Parity Bonds Resolution, except as otherwise expressly provided herein.

(b) The terms defined in this section shall have the designated meanings for all purposes of this Resolution, except where the context by clear implication requires otherwise.

"Parity Bonds Resolution" means the Master Bond Resolution, as amended and restated pursuant to this Resolution and as amended and supplemented from time to time, together with all Supplemental Resolutions as defined therein.

"Prior Master Bond Resolution" means the original Master (3-14-07) Bond Resolution adopted by the Board on March 14, 2007, as heretofore amended by the Series 2009A (05-13-09) Third Supplemental Bond Resolution, the Series 2010 (09-08-10) Fourth Supplemental Bond Resolution and the Amendment to Master Bond Resolution (04-11-12) Fifth Supplemental Resolution, and as amended and restated in full by the Master (03-22-17) Bond Resolution adopted by the Board on March 22, 2017.

"Resolution" or "this Resolution" means this Resolution (06-28-23) Authorizing Amendment and Restatement of Master Bond Resolution.

"Section 8.01(a)(iv) Amendments" means amendments the Board may make to the Prior Master Bond Resolution by Supplemental Resolution, without the consent of or notice to the Owners of Outstanding Parity Bonds, "to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in the Master Bond Resolution or any Supplemental Resolution, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Master Bond Resolution or any Supplemental 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 Parity Bonds."

Section 1.03. Recitals. The Board makes the following recitals in connection with the adoption of this Resolution and the execution and delivery of the amended and restated Master (06-28-23) Bond Resolution.

(a) The Prior Master Bond Resolution is in full force and effect. At the time of the adoption of the original Master Bond Resolution through the adoption of the Master (03-22-17) Bond Resolution, certain issues of Senior Bonds (as defined in the Prior Master Bond Resolution) were Outstanding and were provided for in the Prior Master Bond Resolution. Such issues of Senior Bonds are no longer Outstanding.

Adopted by the Board on June 28, 2023

(b) The Board intends to make certain technical and clarifying amendments to the Prior Master Bond Resolution, all of which may be implemented as Section 8.01(a)(iv) Amendments, primarily to cure ambiguities, update statutory references and internal cross references, and to change the treatment of Capital Improvements Lease Payments to be more consistent with the character of such obligations, as reflected in the redlined version (indicating deletions, insertions and other changes) of the Master (06-28-23) Bond Resolution set forth as Exhibit A hereto, and to adopt, execute and deliver the amended and restated Master (06-28-23) Bond Resolution in the form set forth as Exhibit B hereto.

ARTICLE II

AUTHORIZATION OF AMENDMENTS TO PRIOR MASTER BOND RESOLUTION AND EXECUTION AND DELIVERY OF MASTER (06-28-23) BOND RESOLUTION

Section 2.01. Authorization to Enter into Section 8.01(a)(iv) Amendments to Prior Master Bond Resolution and Execute and Deliver Amended and Restated Master (06-28-23) Bond Resolution. The Board hereby determines: (a) to authorize and adopt the Section 8.01(a)(iv) Amendments to the Prior Master Bond Resolution set forth in the redlined version (indicating deletions, insertions and other changes) of the Master (06-28-23) Bond Resolution set forth as Exhibit A hereto and to execute and deliver the amended and restated Master (06-28-23) Bond Resolution set forth as Exhibit B hereto; and (b) that the Master (06-28-23) Bond Resolution set forth as Exhibit B hereto has been and is entered into on a basis that is consistent with the Charter and all of the Board's covenants and agreements contained in the Prior Master Bond Resolution, all as permitted by the Prior Master Bond Resolution.

Section 2.02. Authorization to Execute and Deliver Master (06-28-23) Bond Resolution. The Master (06-28-23) Bond Resolution shall be executed in the name of the Board and on its behalf with the signature of the President and countersigned with the signature of the Auditor.

ARTICLE III

MISCELLANEOUS

Section 3.01. Costs and Expenses. All costs and expenses incurred in connection with the execution and delivery of the Master (06-28-23) Bond Resolution shall be paid from legally available moneys of the Board and the expenditure of such moneys is hereby approved for that purpose.

Section 3.02. Delegation of Authority. The Chief Finance Officer and the Treasurer are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution including the mailing of notice of this Resolution to the Rating Agencies currently rating the Parity Bonds pursuant to Section 8.01(g) of the Prior Master Bond Resolution and the delivery of any documents related to the execution and delivery of the Master (06-28-23) Bond Resolution.

Section 3.03. Ratification. All actions heretofore taken by the Board, the officers, the employees and the members of the Board, not inconsistent with the provisions of the Prior Master Bond Resolution, and this Resolution, relating to the authorization, execution and delivery of the Master (06-28-23) Bond Resolution, are hereby ratified, approved and confirmed.

Section 3.04. This Resolution Irrepealable. After the execution and delivery of the Master (06-28-23) Bond Resolution, it shall be and remain irrepealable until the Parity Bonds and the interest

Adopted by the Board on June 28, 2023

accruing thereon shall have been fully paid, satisfied and discharged as provided in the Parity Bonds Resolution.

Section 3.05. Severability. If any section, paragraph, clause or provision of this 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 Resolution, the intent being that the same are severable.

Section 3.06. Repealer. All orders, resolutions, bylaws and regulations of the Board, or parts thereof, inconsistent with this Resolution are hereby repealed to the extent only of such inconsistency.

Section 3.07. Recording. This Resolution, immediately on its passage, shall be recorded in the books of resolutions of the Board, respectively, kept for that purpose, shall be authenticated by the signatures of the President and Secretary.

Section 3.08. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

Adopted by the Board on June 28, 2023

CITY AND COUNTY OF DENVER, COLORADO
BOARD OF WATER COMMISSIONERS

MASTER BOND RESOLUTION

(AMENDED AND RESTATED ON JUNE 28, 2023)

RELATING TO
WATER REVENUE BONDS

MASTER BOND RESOLUTION

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(This Table of Contents is not a part of this Master Bond Resolution and is only for convenience of reference)

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MASTER BOND RESOLUTION

A RESOLUTION DESIGNATED BY THE SHORT TITLE "MASTER (06-28-23) BOND RESOLUTION"; AMENDED AND RESTATED IN FULL FROM THE PRIOR MASTER BOND RESOLUTION; PROVIDING FOR THE EXTENSION, BETTERMENT, OTHER IMPROVEMENT AND EQUIPMENT OF THE WATER WORKS SYSTEM; ESTABLISHING GENERAL PROVISIONS RELATING TO PARITY BONDS OF THE BOARD; PROVIDING FOR THE COLLECTION AND DISPOSITION OF REVENUES DERIVED FROM THE OPERATION OF THE SYSTEM; PLEDGING NET REVENUES DERIVED FROM THE OPERATION OF THE SYSTEM TO THE PAYMENT OF THE PARITY BONDS ISSUED PURSUANT TO THIS MASTER BOND RESOLUTION AND EACH RELATED SUPPLEMENTAL RESOLUTION; PROVIDING VARIOUS COVENANTS, AGREEMENTS AND OTHER DETAILS AND MAKING OTHER PROVISIONS CONCERNING THE SYSTEM, SYSTEM REVENUES, THE PARITY BONDS AND CAPITAL AND REFUNDING PROJECTS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS:

**ARTICLE I.
DEFINITIONS, RECITALS, RATIFICATION AND OTHER PROVISIONS**

Section 1.01 Short Title; Amendment and Restatement. This resolution shall be known as and may be cited by the short title "Master (06-28-23) Bond Resolution."

This resolution constitutes the amendment and restatement in full of the original Master (3-14-07) Bond Resolution adopted by the Board on March 14, 2007, as heretofore amended by the Series 2009A (05-13-09) Third Supplemental Bond Resolution, the Series 2010 (09-08-10) Fourth Supplemental Bond Resolution and the Amendment to Master Bond Resolution (04-11-12) Fifth Supplemental Resolution, and as heretofore amended and restated in full by the Master (03-22-17) Bond Resolution adopted by the Board on March 22, 2017 (the original Master (3-14-07) Bond Resolution as amended, and as amended and restated prior to the date hereof, the "Prior Master Bond Resolution") and as further amended herein, all in accordance with the provisions of the original Master (3-14-07) Bond Resolution.

Section 1.02 Definitions. The terms defined in this section shall have the designated meanings for all purposes of this Master Bond Resolution, any Supplemental Resolution and, as amended and supplemented by Supplemental Resolutions, the Parity Bonds Resolution, except where the context by clear implication requires otherwise.

"Auditor" means the Auditor of the City as referenced and provided in Section 10.1.8 of the Charter.

"Beneficial Owner" means the beneficial owner of Parity Bonds registered in the name of the Depository or its nominee.

"Board" means the Board of Water Commissioners of the City and County of Denver, Colorado.

"Bond Counsel" means any firm of nationally recognized municipal bond attorneys selected by the Board and experienced in the issuance of municipal bonds and the excludability of interest thereon from gross income for federal income tax purposes.

"Bond Register" means the registration books for the Parity Bonds maintained by or on behalf of the Board by any Registrar.

"Bond Insurance Policy" means, in respect of any series of Parity Bonds, "Bond Insurance Policy" as defined in the related Supplemental Resolution.

"Bond Insurer" means, in respect of any series of Parity Bonds, "Bond Insurer" as defined in the related Supplemental Resolution.

"Business Day" means "Business Day" as defined in any Supplemental Resolution.

"Capital Improvements" means the acquisition of land, easements, facilities, water rights and equipment (other than ordinary repairs and replacements), and the construction or

reconstruction of improvements, betterments and extensions, for use by or in connection with the System.

"Capital Improvements Lease Payments" means the principal and interest components of the annual lease payments due under any lease entered into by the Board, as lessee, in order to provide Capital Improvements.

"Capital Project" means the acquisition, construction and installation of Capital Improvements to the System, as may be more fully described in any Supplemental Resolution.

"Charter" means the home rule charter of the City, as amended and supplemented from time to time.

"Chief Finance Officer" means the Chief Finance Officer of the Board or the designee of the Chief Finance Officer.

"City" means the City and County of Denver, Colorado.

"Code" means the Internal Revenue Code of 1986, as amended and supplemented from time to time.

"Combined Average Annual Debt Service Requirements" means with regard to any two or more particular issues of Securities, the aggregate of all Debt Service Requirements to become due from the date of computation to the date of maturity of the latest maturing obligation of such Securities, divided by the number of years between such dates; *provided that* if any particular issue of Securities, including Commercial Paper Notes, has a single principal payment date and is issued as interim notes or Securities in anticipation of permanent financing, such principal amount shall be excluded from this computation.

"Commercial Bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation or of the Federal Reserve System, which has capital and surplus of \$10,000,000 or more and which is located within the United States of America.

"Commercial Paper Notes" means any bonds or notes payable from and having an irrevocable lien upon all or a portion of the Net Revenue (a) which have a stated maturity date which is not more than 270 days after the date of issuance thereof and (b) are designated as Commercial Paper Notes in the resolution authorizing their issuance, but does not include any Credit Facility Obligations relating to such bonds or notes.

"Credit Facility" means any letter or line of credit, standby liquidity support or purchase agreement, revolving credit agreement, policy of bond insurance, surety bond or guarantee or similar instrument (other than a Reserve Policy) issued by a financial, insurance or other institution and which specifically provides security, liquidity or both in respect of Securities payable from all or a portion of the Net Revenue.

"Credit Facility Obligations" means repayment or other obligations incurred by the Board in respect of draws or other payments or disbursements made under a Credit Facility.

"C.R.S." means the Colorado Revised Statutes, as amended and supplemented from time to time.

"Debt Service Account" means the book account designated the "Parity Bonds Resolution Debt Service Account" established in the Water Works Fund by this Master Bond Resolution.

"Debt Service Requirements" means for any period, the amount required to pay the principal of, any optional redemption premium then due on, and interest on, any designated Outstanding Securities during such period; *provided that*

(a) the determination of the Debt Service Requirements of any Securities, shall assume the redemption and payment of such Securities on any applicable mandatory Redemption Dates and shall not take into account any mandatory or optional tender for purchase provisions of any Securities;

(b) in any computation relating to the issuance of Parity Bonds there shall be excluded from the computation of Debt Service Requirements an amount equal to any proceeds on deposit in a bond fund for such Securities constituting capitalized interest;

(c) for Variable Rate Bonds such amount shall be calculated assuming that the Variable Rate Bonds bear interest during the related period as follows: (i) if the Variable Rate Bonds have been Outstanding for at least twelve (12) months, assume that the Variable Rate Bonds bear interest at the higher of the actual rate borne by the Variable Rate Bonds on the date of calculation or the average rate borne by the Variable Rate Bonds over the twelve (12) months immediately preceding the date of calculation, and (ii) if the Variable Rate Bonds have been Outstanding for less than twelve (12) months or are not yet Outstanding, assume that the Variable Rate Bonds bear interest at the higher of the actual rate borne by the Variable Rate Bonds on the date of calculation or (A) if interest on the Variable Rate Bonds is excludable from gross income under the applicable provisions of the Code, the average rate set forth on the SIFMA Index over the twelve (12) months immediately preceding the date of calculation, or (B) if interest is not so excludable, the average rate on direct Federal Securities with maturities comparable to the rate reset period;

(d) for purposes of this calculation, if a Financial Products Agreement has been entered into by the Board with respect to any Parity Bonds, interest on such Parity Bonds shall be included in the calculation of such principal and interest by including, for the related period, an amount equal to the amount of interest payable on such Parity Bonds during such period determined as provided in subparagraph (c) above plus any Financial Products Payments payable in the related period minus any Financial Products Receipts receivable in such period ; provided that in no event shall any calculation made pursuant to this paragraph (d) result in a number less than zero being included in the calculation of such interest;

(e) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swaps or other similar Financial Products Agreement which Financial Products Payments or Financial Products Receipts are based on interest rates that are not fixed in percentage for the entire term of the Financial Products

Agreement, such amount shall be calculated by assuming such variable interest rate is a fixed interest rate equal to (i) if the Financial Products Agreement relates to Variable Rate Bonds, the fixed rate of interest estimated for such Variable Rate Bonds as provided above in subparagraph (c) or (ii) if the Financial Products Agreement relates to the Securities which bear interest at a fixed interest rate, the average of the daily interest rate for such Financial Products Payments or Financial Products Receipts under such Financial Products Agreement during the twelve (12) months preceding the calculation or during the time the Financial Products Agreement has been in effect if less than twelve (12) months and if such Financial Products Agreement is not then in effect, the variable interest rate shall be deemed to be a fixed interest rate equal to the average daily interest rate for such Financial Products Payments or Financial Products Receipts that would have been applicable if such Financial Products Agreement had been in effect for the preceding twelve (12) month period, which average daily interest rate shall be set forth in a certificate of the Chief Finance Officer;

(f) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swap, cap, floor, collar or other similar Financial Products Agreement with respect to Securities that are Variable Rate Bonds, such amount shall be calculated by assuming the interest rate on the related Variable Rate Bonds will be a fixed interest rate equal to the average of the daily interest rate on such Variable Rate Bonds during the twelve (12) months preceding the calculation or during the time the Variable Rate Bonds are Outstanding if less than twelve (12) months and if such Variable Rate Bonds are not at the time of calculation Outstanding, the variable interest rate shall be deemed to be a fixed interest rate equal to the average daily interest rate which such Variable Rate Bonds would have borne if they had been Outstanding for the preceding twelve (12) month period as estimated by the Chief Finance Officer, all as set forth in a certificate of the Chief Finance Officer;

(g) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swap, cap, floor, collar or other similar Financial Products Agreement with respect to Securities bearing interest at a fixed rate, such amount shall be the amount payable or receivable annually determined as of the date of issuance of the Securities as set forth in a certificate of the Chief Finance Officer; and

(h) for the purposes of this calculation, if Commercial Paper Notes are then Outstanding or are the Parity Bonds proposed to be issued, it shall be assumed that (i) the principal amount of any Commercial Paper Notes Outstanding is the principal amount of the Commercial Paper Notes Outstanding at the time the calculation is being made and (ii) the Commercial Paper Notes will bear interest on the unpaid principal amount thereof at a fixed rate of interest equal to the twelve (12) month average of the SIFMA Index.

"Denver Water" means the property and personnel under control of the Board to be generally referred to as "Denver Water" as provided in Section 10.1.6 of the Charter.

"Depository" means any qualified securities depository selected by the Board as provided in a Supplemental Resolution in respect of any series of Parity Bonds.

"Event of Default" means any of the events set forth in Section 7.01 of this Master Bond Resolution.

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

"Fiscal Year" means the 12 months commencing January 1 of any year and ending December 31 of said year.

"Financial Products Agreements" means any interest rate swap, cap, collar, floor, hedging agreement, arrangement or security, however denominated, entered into by the Board with a Provider with respect to any Parity Bonds or specific Securities or as otherwise permitted by State law and providing that any payments by the Board thereunder are payable from a lien on all or a portion of the Net Revenue and for the purpose of (i) reducing or otherwise managing the Board's risk of interest rate changes or interest rate costs or (ii) effectively converting the Board's interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, from a variable rate exposure to a variable rate exposure or from a variable rate exposure to a fixed rate exposure.

"Financial Products Payments" means payments periodically required to be paid to a Provider by the Board pursuant to a Financial Products Agreement but specifically excluding Financial Products Termination Payments.

"Financial Products Receipts" means amounts periodically required to be paid to the Board by a Provider pursuant to a Financial Products Agreement but specifically excluding any Financial Products Termination Payment.

"Financial Products Termination Payment" means any termination, settlement or similar payments required to be paid upon an early termination of the Financial Products Agreement as a result of any event of default or termination event thereunder. As provided in Section 4.03 of this Master Bond Resolution, no Financial Products Termination Payment required under any Financial Products Agreement shall be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

"Gross Revenue" means all income and revenues directly or indirectly derived by the Board from the operation and use of the System, or any part thereof, including without limitation, any rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges for the services furnished by, or for the use of, the System, and proceeds realized from any past or future dispositions of System property or rights or related contracts, settlements or judgments, and including investment income accruing from moneys held to the credit of the Water Works Fund; *provided, however*, that there shall be excluded from Gross Revenues any moneys borrowed and used for providing Capital Improvements; any money and securities and investment income therefrom, in any refunding account, escrow fund or similar account pledged to the payment of any bonds or other obligations; any Financial Products Receipts, any Financial Products Termination Payment, and any moneys received as grants or appropriations from the United States, the State, other local governments or enterprises or other sources, the use of which

is limited or restricted to the provision of Capital Improvements (including oversizing of facilities or similar capital improvements) or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service or the disposal of any commodities therefrom.

"Independent Accountant" means a certified public accountant or firm of certified public accountants within the meaning of Section 12-100-112, C.R.S., licensed to practice in the State, who is independent in fact and not an officer or employee of the Board.

"Interest Subaccount" means the subaccount of the Debt Service Account so designated and established by this Master Bond Resolution.

"Master Bond Resolution" means this Master Bond Resolution, constituting the amendment and restatement in full of the Prior Master Bond Resolution as described in Section hereof.

"Net Revenue" means the Gross Revenue after deducting the Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the Board, paid or accrued, for operating, maintaining and repairing the System, including without limitation legal and other overhead expenses of the Board related to the administration of the System, insurance premiums, payments of claims under a self-insurance program, audits, charges of depository banks and paying agents, professional services, salaries and administrative expenses, labor and the cost of materials, supplies for current operations, payments of rebate obligations to the United States of America as further provided in any Supplemental Resolution and any related Tax Certificate of the Board in respect of the Parity Bonds and any similar payment of rebate obligations provision of any resolution (and related tax certificate) in respect of the Capital Improvements Lease Payments, rental payments under operating leases and administrative costs and expenses related thereto; *provided, however*, that there shall be excluded from Operation and Maintenance Expenses any allowance for depreciation, non-cash overhead expenses of the System, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations issued or entered into to provide Capital Improvements, Capital Improvements Lease Payments, and charges for the accumulation of reserves.

"Other Available Funds" means for any Fiscal Year, the amount of revenues not constituting Net Revenues determined by the Chief Finance Officer to be transferred from the Water Works Fund to the Debt Service Account; but in no event shall such aggregate amount exceed 10% of the Combined Average Annual Debt Service Requirements of the Parity Bonds and the Capital Improvements Lease Payments.

"Outstanding" means:

(a) when used with reference to any Parity Bonds and as of any particular date all such Parity Bonds theretofore executed, issued and delivered by the Board except:

(i) any Parity Bonds canceled or paid by or on behalf of the Board on or before such date as surrendered to the Board, a Registrar or a Paying Agent for cancellation and any Parity Bonds owned by the Board;

(ii) any Parity Bonds deemed to have been paid as provided in Section 6.01 hereof;

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

(iv) any Parity Bonds (or portions of Parity Bonds) for the payment or redemption of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or Redemption Date, shall be held in trust and set aside for such payment or redemption (whether at or prior to the maturity or Redemption Date), provided that if such Parity Bonds are to be redeemed, notice of such redemption shall have been given as provided in the Supplemental Resolution authorizing the issuance of such Parity Bonds or provision satisfactory to the Registrar of such Parity Bonds shall have been made for the giving of such notice;

(v) any Parity Bonds deemed tendered or purchased as provided by any Supplemental Resolution; and

(vi) any Parity Bonds the principal and/or interest due on which have been paid by the Provider of a Credit Facility.

(b) when used with reference to (i) Securities other than the Parity Bonds and (ii) the Capital Improvements Lease Payments and as of any particular date, all such obligations theretofore issued or incurred and not paid and discharged other than:

(A) Capital Improvements Lease Payments for which the Board has elected to not appropriate funds in accordance with the applicable lease provisions;

(B) obligations theretofore cancelled by a trustee or paying agent for such obligations or by the owner of such obligations;

(C) obligations deemed paid and no longer outstanding as provided in the document pursuant to which the obligations were issued;

(D) any obligations held by the Board; and

(E) obligations in lieu of which other obligations have been authenticated and delivered pursuant to the provisions of the document pursuant to which it was issued regarding transfer or exchange of the obligations or regarding mutilated, destroyed, lost or stolen obligations unless proof satisfactory to the Chief

Finance Officer has been received that any such obligations are held by a bona fide purchaser.

"Parity Bonds" means any Securities issued pursuant to the provisions of this Master Bond Resolution that are payable from Net Revenue and which payment is secured by a pledge of and a lien on the Net Revenue, but Parity Bonds does not include (a) the Capital Improvements Lease Payments, (b) any Securities that are Subordinate Lien Obligations and any Credit Facility Obligations or Financial Products Agreements relating to any such Securities.

"Parity Bonds Resolution" means this Master Bond Resolution as supplemented and amended from time to time by Supplemental Resolutions.

"Parity Credit Facility Obligations" means any Credit Facility Obligations payable from all or a portion of the Net Revenue on a parity with the Parity Bonds.

"Parity Financial Products Agreement" means any Financial Products Agreement pursuant to which Financial Products Payments are payable from a lien on all or a portion of the Net Revenue on a parity with the Parity Bonds. As provided in Section 4.03 of this Master Bond Resolution, no Financial Products Termination Payment required under any Parity Financial Products Agreement shall be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

"Paying Agent" means the commercial or trust bank or its successor designated in a Supplemental Resolution, which shall perform the function of paying agent for the applicable Parity Bonds.

"Permitted Investments" means investments or deposits which comply with the requirements of the applicable provisions of the State, the Charter and Board policies relating to the investment or deposit of Board moneys.

"President" means the President of the Board.

"Principal Subaccount" means the subaccount of the Debt Service Account so designated and established by this Master Bond Resolution.

"Project Account" means any account designated a "Project Account" in respect of any series of Parity Bonds established in the Water Works Fund by Supplemental Resolution for the purpose of providing any Capital Project or Refunding Project or any combination thereof, as may be provided by Supplemental Resolution. For any Refunding Project, the Project Account may be designated as a Refunding Escrow Account.

"Project Costs" means the costs properly attributable to any Capital Project, any Refunding Project, or any part thereof, including without limitation:

- (a) the costs of labor and materials, of machinery, furnishings and equipment, and of the restoration of property damaged or destroyed in connection with construction work;

- (b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes or other municipal or governmental charges lawfully levied or assessed;
- (c) administrative and general overhead costs;
- (d) the costs of reimbursing funds advanced by the Board in anticipation of reimbursement from bond proceeds;
- (e) the costs of surveys, appraisals, plans, designs, specifications and estimates;
- (f) the costs, fees and expenses of printers, engineers, architects, financial consultants, legal advisors or other agents or employees;
- (g) the costs of publishing, reproducing, posting, mailing or recording documents;
- (h) the costs of contingencies or reserves;
- (i) the costs of issuing the Parity Bonds;
- (j) the costs of amending any resolution or other instrument relating to the Parity Bonds, any Capital Project and any Refunding Project;
- (k) the costs of repaying any short-term financing, construction loans and other temporary loans, and of the incidental expenses incurred in connection with such loans;
- (l) the costs of acquiring any property, rights, water rights, easements, licenses, privileges, agreements and franchises;
- (m) the costs of demolition, removal and relocation; and
- (n) all other lawful costs as determined by the Board.

"Pro Rata Portion" means when used with respect to a required credit to the Principal Subaccount or the Interest Subaccount, the dollar amount determined by dividing the amount of principal or interest to come due on the next principal or interest payment date by the number of monthly credits required to be made prior to such payment date.

"Provider" means any financial institution or insurance company which is a party to a Financial Products Agreement with the Board.

"Purchaser" means, in connection with any Parity Bonds, the entity purchasing the Parity Bonds or any representative or successor thereof.

"Rating Agencies" or "Rating Agency" means any nationally recognized securities rating agency then maintaining a rating with respect to the Parity Bonds.

"Rebate Account" means any book account designated a "Rebate Account" in respect of any series of Parity Bonds established in the Water Works Fund by Supplemental Resolution in respect of each series of Parity Bonds, all as may be provided by Supplemental Resolution.

"Redemption Date" means the date fixed by the Board for the mandatory or optional redemption of any Parity Bonds prior to their respective fixed maturity dates pursuant to the terms of a Supplemental Resolution.

"Redemption Price" means, with respect to any Parity Bond, the principal amount thereof plus the applicable premium, if any, payable upon the Redemption Date as provided in a Supplemental Resolution.

"Refunding Project" means the refunding of any Securities issued by the Board, as may be more fully described in any Supplemental Resolution, including the refunding of any Parity Bonds.

"Registered Owner" or "Owner" means the registered owner of any Parity Bond as shown by the Bond Register.

"Registrar" means the commercial or trust bank or its successor designated in a Supplemental Resolution, which shall perform the registration and transfer functions with respect to the applicable series of Parity Bonds.

"Regular Record Date" means, with respect to a particular series of Parity Bonds, the record date for determining ownership of a Parity Bond for the purpose of paying interest as it becomes due, as such date is provided by Supplemental Resolution.

"Reserve Account" means any account designated a "Reserve Account" in respect of any series of Parity Bonds established in the Water Works Fund by Supplemental Resolution for the purpose of providing for related reserve requirements for a series of Parity Bonds, all as shall be further provided by Supplemental Resolution.

"Reserve Policy" means any insurance policy, surety bond, irrevocable letter of credit or similar instrument deposited in or credited to any Reserve Account created in respect of any series of Parity Bonds in lieu of or in partial substitution for moneys on deposit therein, issued by a financial, insurance or other entity having a rating at the time such policy is deposited in or credited to such Reserve Account in the highest rating category of each of the Rating Agencies then providing a rating in respect of the related series of Parity Bonds.

"Secretary" means the Secretary of the Board.

"Securities" means bonds, notes, certificates, warrants, leases, contracts or other financial obligations or securities issued or executed by the Board and payable in whole or in part from a lien on the Net Revenue, including the Parity Bonds but not including any Credit Facility Obligations, Financial Products Agreements or any similar contractual arrangements.

"Series Reserve Amount" means, in respect of a series of Parity Bonds and as provided in the applicable Supplemental Resolution authorizing the issuance of the related series of Parity Bonds, an amount, if any, determined pursuant to such applicable Supplemental Resolution.

"SIFMA Index" means *the Securities Industry and Financial Markets Association Swap Index*, most recently produced and published by Municipal Market Data, or if such index is not published, then such other index selected by the Chief Finance Officer which reflects the yield of tax-exempt seven-day variable rate demand bonds.

"Special Record Date" means, with respect to a series of Parity Bonds, the record date for the determination of ownership of Parity Bonds for the purpose of paying interest not paid when due or interest accruing after maturity, as such date may be determined pursuant to a Supplemental Resolution.

"State" means the State of Colorado.

"Subordinate Credit Facility Obligations" means any Credit Facility Obligations payable in whole or in part from the Net Revenue and having a lien on the Net Revenue which is subordinate to the lien thereon of the Parity Bonds.

"Subordinate Financial Products Agreement" means any Financial Products Agreement pursuant to which Financial Products Payments are payable from a lien on the Net Revenue that is subordinate to the lien thereon of the Parity Bonds. As provided in Section 4.04 of this Master Bond Resolution, no Financial Products Termination Payment required under any Subordinate Financial Products Agreement shall be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

"Subordinate Lien Obligations" means one or more series of additional bonds, notes, interim securities or other obligations payable from and having a lien on the Net Revenue that is subordinate or junior to the lien of the Parity Bonds, including Subordinate Financial Products Agreements and Subordinate Credit Facility Obligations.

"Supplemental Act" means the Supplemental Public Securities Act, constituting part 2 of article 57 of title 11, C.R.S.

"Supplemental Resolution" means any resolution of the Board amending or supplementing this Master Bond Resolution adopted prior to the date of this Master Bond Resolution pursuant to the provisions of the Prior Master Bond Resolution or on and after the date of this amended and restated in full Master Bond Resolution pursuant to the provisions of this amended and restated in full Master Bond Resolution, including without limitation any such resolution authorizing the issuance of Parity Bonds thereunder or hereunder or any resolution amending or supplementing this amended and restated in full Master Bond Resolution.

"System" means the water works system and plant which is operated under the complete charge and control of the Board and which includes the property and personnel under control of the Board to be referred to generally as Denver Water, all pursuant to Sections 10.1.1 through 10.1.22 of the Charter.

"Tax Certificate" means any tax certificate (in respect of the tax-exempt status of the interest on any series of Parity Bonds) executed and delivered by the Board in connection with the issuance of a particular series of Parity Bonds and as further provided in a related Supplemental Resolution.

"Treasurer" means the Treasurer of the Board or the designee of the Treasurer.

"Variable Rate Bonds" means any Securities issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue or the date of calculation, as the case may be.

"Water Activity Law" means article 45.1 of title 37, C.R.S. and part 4 of article 35 of title 31, C.R.S.

"Water Works Fund" means the fund created and maintained pursuant to Section 10.1.7 of the Charter into which all revenues received from the operation of the System together with all moneys received by the Board from other sources is to be placed.

Section 1.03 Recitals. The Board makes the following recitals in connection with the adoption of this Master Bond Resolution and the issuance of any Parity Bonds hereunder.

(a) The System is operated under the complete charge and control of the Board pursuant to Sections 10.1.1 through 10.1.22 of the Charter.

(b) Denver Water is, and is operated as, an "enterprise" of the City as provided in Section 20, Article X of the Constitution of the State and a "water activity enterprise" as provided in the Water Activity Law.

(c) The Board intends that all series of Parity Bonds issued pursuant to this Master Bond Resolution and Supplemental Resolutions (this Master Bond Resolution as supplemented and amended by Supplemental Resolutions being referred to and defined herein collectively as the "Parity Bonds Resolution") shall be payable and secured by the Net Revenue of the System and that after the date of this Master Bond Resolution, the Board shall not issue any additional bonds, notes, interim securities or other obligations payable from the Gross Revenue or the Net Revenue and having a lien thereon that is superior to the lien of the Parity Bonds.

(d) Neither the Board nor the City has pledged or in any way hypothecated revenues derived and to be derived directly or indirectly from the operation of the System to the payment of any securities or for any other purpose (excluding (i) Outstanding Parity Bonds, and (ii) Outstanding obligations with a lien expressly subordinated to the Parity Bonds), with the result that the Net Revenue may be pledged lawfully and irrevocably for the payment of additional Parity Bonds in accordance with the terms hereof and Parity Bonds may be made payable from the Net Revenue.

(e) This Master Bond Resolution is (i) adopted pursuant to and in accordance with the applicable provisions of the Charter and the Water Activity Law and (ii) intended to govern the issuance of, and establish general provisions relating to, the Board's Parity Bonds.

Section 1.04 Master Bond Resolution and Supplemental Resolutions to Constitute a Contract; Equal Security. In consideration of the acceptance of the Parity Bonds by those who shall own the same from time to time, this Master Bond Resolution and the Supplemental

Resolutions (or, collectively, the Parity Bonds Resolution), together with any related sale certificates and agreements with the Providers of any Credit Facility or Financial Products Agreements, shall be deemed to be and shall constitute a contract between the Board and the Owners of the Parity Bonds. The pledge made in the Parity Bonds Resolution by the Board, and the covenants and agreements set forth in the Parity Bonds Resolution to be performed by the Board, shall be for the equal and proportionate benefit, security and protection of all Owners of the Parity Bonds, without preference, priority or distinction as to security or otherwise of any of the Parity Bonds over any of the others by reason of time of issuance, sale or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by the Parity Bonds Resolution.

Section 1.05 Ratification. All actions heretofore taken by the Board, the officers, the employees and the members of the Board, not inconsistent with the provisions of this Master Bond Resolution, relating to the authorization, sale, issuance and delivery of the Parity Bonds, are hereby ratified, approved and confirmed.

ARTICLE II. AUTHORIZATION

Section 2.01 Authorization of Parity Bonds Generally. The Board may issue one or more series of Parity Bonds for any Capital Project, any Refunding Project or any combination thereof, relating to the System, in accordance with the provisions of this Master Bond Resolution.

Section 2.02 General Provisions of Parity Bonds. Each series of Parity Bonds shall be authorized by Supplemental Resolution and shall bear such designation as the Board deems appropriate. The Parity Bonds of each series shall be subject to such terms and conditions as are provided herein and by Supplemental Resolution. The Supplemental Resolution relating to each series of Parity Bonds shall (a) generally describe the Capital Project, the Refunding Project or combination thereof being provided by the proceeds of such series, (b) determine the details of such series, including but not limited to the maximum principal amount and maximum interest rates or interest costs in respect of such series, the dates, maturities and any redemption, tender and conversion provisions of such series, the method of determining interest rates on such series, the debt service reserve requirements of such series, if any, any Credit Facility or Financial Products Agreement to be provided in respect of such series and all other necessary or desirable terms and conditions, (c) designate any Paying Agent, Registrar or other fiduciaries and agents as appropriate and (d) provide for the sale and delivery of such series.

Section 2.03 Destruction of Parity Bonds. Whenever any Outstanding Parity Bond shall be delivered to the related Registrar for cancellation pursuant to this Master Bond Resolution and a Supplemental Resolution, and upon payment of the principal amount and interest represented thereby, or whenever any Outstanding Parity Bond shall be delivered to the Registrar for transfer pursuant to the provisions of this Master Bond Resolution and a Supplemental Resolution, such Parity Bond shall be canceled and destroyed by the Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Registrar to the Board.

Section 2.04 Lost Parity Bonds. Any Parity Bond that is lost, stolen, destroyed or mutilated may be replaced or paid by the related Registrar in accordance with and subject to the

limitations of applicable law. The applicant for any such replacement Parity Bond shall post such security or indemnity bond, 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 Registrar.

**ARTICLE III.
PLEDGE OF NET REVENUES; ESTABLISHMENT OF ACCOUNTS AND
APPLICATION THEREOF**

Section 3.01 The Pledge Effected by the Master Bond Resolution. The Parity Bonds are special and limited obligations of the Board, payable from and secured by the revenues and funds pledged therefor. The Board covenants to pay promptly the Debt Service Requirements of the Parity Bonds at the place, on the dates and in the manner specified in this Master Bond Resolution and the related Supplemental Resolution. The Debt Service Requirements of the Parity Bonds shall be payable only out of (a) the Debt Service Account, into which the Board covenants to deposit the Net Revenue in amounts sufficient to pay promptly, when due, the Debt Service Requirements of the Parity Bonds, and (b) if necessary, the related Reserve Account created in respect of a series of Parity Bonds. The Parity Bonds shall constitute an irrevocable lien upon the Net Revenue, but not an exclusive lien, on a parity with the Parity Bonds and the Net Revenue is hereby pledged to the payment of the Parity Bonds.

The Owners of the Parity Bonds may not look to any general or other fund of the Board or the City for the payment of the Debt Service Requirements of the Parity Bonds. The Parity Bonds shall not constitute a debt or an indebtedness or multiple fiscal year debt or other financial obligation of the City within the meaning of any constitutional or statutory provision or limitation, nor shall the Parity Bonds be considered or held to be general obligations of the City.

Amounts, if any, on deposit in any Rebate Account shall not be subject to the lien and pledge of the Parity Bonds Resolution to the extent that such amounts are required to be paid to the United States of America.

Section 3.02 Establishment of Accounts. The Board hereby creates and establishes in the Water Works Fund, as a book account of the Board, the Parity Bonds Resolution Debt Service Account (including therein the Interest Subaccount and the Principal Subaccount). Such account shall be maintained by the Board in accordance with the Parity Bonds Resolution. In respect of each series of Parity Bonds, the Board shall establish by Supplemental Resolution, any related Project Account, Reserve Account, Rebate Account and any other account as may be determined to be necessary for the issuance of the related series of Parity Bonds, including accounts that may be necessary in connection with any Credit Facility or Financial Products Agreement. Such accounts shall be maintained by the Board in accordance with the Parity Bonds Resolution, and, in the case of any Rebate Account, any related Tax Certificate.

The proceeds of each series of Parity Bonds shall be deposited to a Project Account and any other account determined to be necessary, all as provided in the related Supplemental Resolution.

Section 3.03 Project Accounts. The proceeds of Parity Bonds credited to the related Project Account created under a Supplemental Resolution shall be maintained, used and withdrawn for the purpose of paying Project Costs. If not paid from other funds of the Board, the Board shall pay as Project Costs the costs of issuance of the Parity Bonds. Any investment income earned on amounts on deposit in any Project Account shall remain in such account.

Moneys credited to any Project Account may be invested or deposited in securities or obligations that are Permitted Investments. Any moneys remaining in any Project Account after completion of the related Capital Project, excluding investment earnings which may be required to be rebated to the federal government as provided in the related Supplemental Resolution and the related Tax Certificate, shall be deposited in the Debt Service Account and used for the purposes of the Debt Service Account.

Section 3.04 Water Works Fund. The Board shall credit to the Water Works Fund all Gross Revenue immediately upon receipt thereof as provided in Section 10.1.7 of the Charter. There shall be paid from the Water Works Fund all Operation and Maintenance Expenses as they become due and payable. After such payment, the Net Revenue shall be applied in the following order of priority:

FIRST: There shall be credited to the Debt Service Account, concurrently on a *pari passu* basis with any payments required to be made pursuant to any Parity Credit Facility Obligations and Financial Products Payments pursuant to any Parity Financial Products Agreement, on or before the fifteenth (15th) day of each month, commencing with the month in which the initial series of the Parity Bonds are issued and delivered, the following amounts:

(a) to the Interest Subaccount of the Debt Service Account, an amount equal to the Pro Rata Portion of the interest to come due on the Parity Bonds on the next succeeding interest payment date; and

(b) to the Principal Subaccount of the Debt Service Account, an amount equal to the Pro Rata Portion of the principal to come due (including any mandatory sinking fund payment) on the Parity Bonds on the next succeeding principal payment date; and

(c) to any other subaccount that may be created in the Debt Service Account by Supplemental Resolution for the purpose of providing for the Debt Service Requirements of or related to any Series of Parity Bonds.

SECOND: There shall be credited to any Reserve Account created under a Supplemental Resolution, Pro Rata Portions of the amounts, if any, required by any such Supplemental Resolution to cause the amount therein to equal the Series Reserve Amount under such Supplemental Resolution (or for repayment pursuant to any insurance policy, surety bond, letter or line of credit, or similar credit facility utilized in lieu of such account).

THIRD: There shall be credited to any other fund or account hereafter established for the payment of the Debt Service Requirements on Subordinate Lien Obligations,

including any sinking fund, reserve fund or similar fund or account established therefor, in the amounts required by resolution or other enactment authorizing the issuance of the Subordinate Lien Obligations, including Subordinate Credit Facility Obligations and Subordinate Financial Products Agreements, Financial Products Termination Payments.

FOURTH: After the payments and accumulations set forth in FIRST through THIRD above have been made, to the credit of any other fund or account as may be designated by the Board, to be used for any lawful purpose, including paying any Capital Improvements Lease Payments.

Section 3.05 Debt Service Account. Moneys credited to the Debt Service Account may be invested or deposited in securities or obligations that are Permitted Investments. Any investment income earned on amounts on deposit in the Debt Service Account shall remain in the Debt Service Account. The credits of Net Revenue to the Debt Service Account in the Pro Rata Portions of interest and principal required by Section 3.04 hereof may be reduced according to the amounts of investment income or other moneys credited to the Debt Service Account at the time any required credit of a Pro Rata Portion of interest or principal is to be made.

Section 3.06 Reserve Accounts. Under each Supplemental Resolution authorizing the issuance of Parity Bonds, a Reserve Account may be established and maintained in a Series Reserve Amount, which amount may be satisfied by cash, a Reserve Policy or Credit Facility or a combination of the foregoing *provided that* a Reserve Account shall not be required for any series of Parity Bonds. A Reserve Account shall be used, if necessary, only to prevent a default in the payment of the principal of or interest on the applicable series of Parity Bonds and such Reserve Account is to be pledged only to the payment of the applicable series of Parity Bonds. In the event that the amounts credited to the Debt Service Account with respect to the applicable series of Parity Bonds are insufficient to pay the Debt Service Requirements on the applicable series of Parity Bonds when due, the Board shall transfer from the Reserve Account established for the applicable series of Parity Bonds to the appropriate subaccount or subaccounts of the Debt Service Account an amount which, when combined with moneys in such subaccount or subaccounts, will be sufficient to make such payments when due.

Any Reserve Account shall be maintained in the Series Reserve Amount established under a Supplemental Resolution until such time as the amount credited thereto, when combined with moneys in the related subaccount of the Debt Service Account, will be sufficient to pay the principal of and interest on all of the Parity Bonds of the applicable series, at which time such moneys may be applied for such purpose. If at any time the amounts credited to any Reserve Account are used to pay the principal of or interest on the applicable series of the Parity Bonds, the amount so used shall be replenished from the Net Revenue as soon as possible after such use, but in accordance with and subject to the limitations of Section 3.04 hereof.

Moneys credited to any Reserve Account may be invested or deposited in securities or obligations which are Permitted Investments. All interest income from the investment or reinvestment of moneys shall first be credited to such Reserve Account. In the event that any Reserve Account is then currently funded in an amount in excess of a Series Reserve Amount, such excess amount of investment income shall be deposited in the appropriate subaccount or subaccounts of the Rebate Account or the Debt Service Account for such series of Parity Bonds.

The amount on deposit in any Reserve Account shall never exceed the related Series Reserve Amount.

Section 3.07 Investment or Deposit of Funds. Each of the accounts created under this Master Bond Resolution and any Supplemental Resolution shall be maintained as separate book accounts and subaccounts of the Water Works Fund. Any moneys in any such account may be invested or deposited in securities or obligations that are Permitted Investments subject, however, to the covenants and provisions of any Supplemental Resolution and related Tax Certificates. The moneys in such accounts, except any Rebate Account, may be commingled with moneys or Permitted Investments in any other fund as permitted by applicable law and Board policy.

ARTICLE IV. ADDITIONAL SECURITIES

Section 4.01 No Superior Obligations. No additional bonds, notes, interim securities or other obligations shall be issued payable from the Gross Revenue or Net Revenue and having a lien thereon that is superior to the lien of the Parity Bonds.

Section 4.02 Additional Parity Bonds. After the first issuance of Parity Bonds hereunder, additional Parity Bonds may be issued by the Board for the purpose of paying Project Costs for any Capital Project or any Refunding Project or any combination thereof, provided that the following requirements have been complied with:

(a) At the time of issuance of any Parity Bonds, the Board is not in default in making any payments required by Section 3.04 of this Master Bond Resolution and the Supplemental Resolutions.

(b) At the time of issuance of the additional Parity Bonds, the Board is current in the accumulation of all amounts required to be then accumulated in the Debt Service Account and any Reserve Account as required by any Supplemental Resolution.

(c) The Net Revenue for the 12-month period ending with the most recently completed calendar quarter for which financial statements are available, together with any Other Available Funds, is sufficient to pay an amount representing not less than 120% of the Combined Average Annual Debt Service Requirements for the then Outstanding Parity Bonds, the additional Parity Bonds proposed to be issued and the Capital Improvements Lease Payments; provided that once the Parity Bonds Outstanding as of June 28, 2023, are no longer Outstanding hereunder, the Capital Improvement Lease Payments shall no longer be considered for purposes of this test. For purposes of this test, the Net Revenue may be increased if there has been adopted a schedule of increases in rates, fees, system development charges, participation fees, tap fees, availability fees, tolls and charges during or since such preceding 12-month period by adding to the actual Gross Revenue for such preceding 12-month period an estimated sum equal to 100% of the estimated increase in Gross Revenue that would have been realized during such preceding 12-month period had such increase been in effect during all of the preceding 12-month period.

(d) In the case of a Refunding Project, compliance with (c) shall not be required so long as the Debt Service Requirements on all Parity Bonds Outstanding after the

issuance of such additional Parity Bonds in each Fiscal Year prior to the final maturity date of the bonds to be refunded in the Refunding Project does not exceed the Debt Service Requirements on all Parity Bonds Outstanding prior to the issuance of such additional Parity Bonds in each Fiscal Year.

A written certificate by the Chief Finance Officer or the Treasurer that the requirements of (a) through (d) above have been met shall conclusively determine the right of the Board to authorize, issue, sell and deliver additional Parity Bonds.

Section 4.03 Parity Credit Facility Obligations and Parity Financial Products Agreement; No Senior or Parity Financial Products Termination Payments. The Board may enter into Parity Credit Facility Obligations and Parity Financial Products Agreements relating to the Parity Bonds as is determined by the Board to be in the best interest of the Board and in accordance with the provisions of the Charter and the Constitution and laws of the State.

Notwithstanding any other provision of this Master Bond Resolution, no Financial Products Termination Payment required under any such Parity Financial Products Agreements shall be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

Section 4.04 Subordinate Lien Obligations. So long as no Event of Default shall have occurred and be continuing, nothing herein shall prevent the Board from issuing Subordinate Lien Obligations.

Notwithstanding any other provision of this Master Bond Resolution, no Financial Products Termination Payment required under any Subordinate Financial Products Agreement shall be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

ARTICLE V. PROTECTIVE COVENANTS

Section 5.01 Use of Proceeds. The proceeds derived from the sale of each series of Parity Bonds shall be used solely for the purposes specified in this Master Bond Resolution and the related Supplemental Resolution.

Section 5.02 Maintenance of Rates. Pursuant to Section 10.1.9 of the Charter, the Board is to fix rates for which water shall be furnished for all purposes within the City and rates are to be as low as good service will permit provided, however, that for water furnished to customers outside the boundaries of the City, the Board is not so limited. Rates may be sufficient to provide for (a) operation, maintenance, reserves, debt service, additions, extensions, betterments, including those reasonably required for the anticipated growth of the Denver metropolitan area, and to provide for Denver's general welfare and (b) the accumulation of reserves for improvements of such magnitude that they cannot be acquired from the surplus revenues of a single year.

Subject to the provisions of Section 10.1.9 of the Charter, the Board covenants that it will use its best efforts to maintain, enforce and collect rates, fees, system development charges,

participation payments, tap fees, availability fees, tolls and charges for services furnished by or the use of the System to create Gross Revenue, together with any Other Available Funds, each Fiscal Year sufficient to pay Operation and Maintenance Expenses and to create Net Revenue in an amount equal to not less than 110% of the amount necessary to pay when due the Debt Service Requirements on the Parity Bonds and the Capital Improvements Lease Payments (provided that once the Parity Bonds Outstanding as of June 28, 2023, are no longer Outstanding hereunder, the Capital Improvement Lease Payments shall no longer be considered for purposes of this section) coming due during such Fiscal Year, and to make up any deficiencies in any Reserve Account, including the payment of any unreimbursed draws under any related Reserve Policy and associated expenses and accrued interest, if any, owed to any Bond Insurer. In the event that the Gross Revenue at any time is not sufficient to make such payments, the Board shall increase such rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges to an extent which will allow the payments and accumulations required by the Parity Bonds Resolution.

Section 5.03 Operation and Maintenance of the System. The Board will continue to operate and manage the System in an efficient and economical manner, and make or cause to be made such improvements, enlargements, extensions, repairs and betterments thereto as may be necessary or advisable to ensure the economical and efficient operation of the System at all times.

Section 5.04 Disposition of System Property. The Board will not sell or alienate any of the property constituting any part or all of the System in any manner or to any extent as might materially reduce the security provided for the payment of the Parity Bonds, but the Board may sell any portion of such property which shall have been replaced by other similar property of at least equal value, or which shall cease to be necessary for the efficient operation of the System; *provided, however,* that the proceeds realized from any such sale of property shall be included as part of the Gross Revenue.

Section 5.05 Sale of the System. The Board shall not sell or dispose of the System, or any part thereof, other than in the ordinary course of business, unless (a) all Parity Bonds shall have been paid and retired, or (b) the Board shall have received an opinion of Bond Counsel to the effect that such sale shall not adversely affect the excludability of interest on the Parity Bonds that had been issued on a tax-exempt basis from gross income for federal income tax purposes.

Section 5.06 Billing and Collections. The Board will promptly render bills for services furnished by or the use of the System, shall use all legal means to assure prompt payment thereof, and to the extent permitted by law, shall discontinue service to any user who becomes delinquent in the payment of such charges until the delinquency and all interest, costs and expenses incident thereto have been paid in full or satisfactory arrangements for payments have been made.

Section 5.07 Books and Records. The Board shall keep and maintain separate accounts of the receipts and expenses of the Board in such manner that the Gross Revenue and the Net Revenue may at all times be readily and accurately determined.

Section 5.08 Audits and Budgets. At least once a year, the Board will cause an audit to be performed of the records relating to the revenues and expenditures of the System. In addition, at least once a year, the Board will cause a budget to be prepared and adopted.

Section 5.09 Insurance; Insurance Proceeds or Condemnation Awards. The Board will provide for fire and extended coverage, worker's compensation, public liability and such other forms of insurance or self-insurance on insurable System property as would ordinarily be carried by utilities or municipal corporations having similar properties of equal value, such insurance being in such amounts as will protect the System and its operation.

In the event of any loss or damage to the System, or in the event part or all of the System is taken by the exercise of a power of eminent domain, the insurance proceeds or the condemnation award shall be used for restoring, replacing or repairing the property lost, damaged or taken, and the remainder thereof, if any, shall be considered as Gross Revenue; provided however, that if the Board determines that the operation of the System and the security for the Parity Bonds will not be materially adversely affected thereby, the Board may determine not to restore, replace or repair the property lost, damaged or taken and all of the insurance proceeds or condemnation award shall be considered as Gross Revenue.

Section 5.10 Fidelity Bonds. Each Board official or other person having custody of any funds derived from operation of the System, or responsible for the handling of such funds, shall be fully bonded at all times.

Section 5.11 Charges and Liens Upon the System. From the Gross Revenue, the Board will pay all taxes and assessments or other municipal or governmental charges, if any, lawfully levied, assessed upon, or in respect to the System, or any part thereof, when the same shall become due, and it will duly observe and comply with all valid requirements of any municipal or governmental authority relative to any part of the System; and the Board will not create nor suffer to be created any lien or charge upon the System or upon the Gross Revenue therefrom except as permitted by this Master Bond Resolution unless it has made adequate provisions to satisfy and discharge within 60 days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the System or upon the Gross Revenue; provided however, that nothing herein shall require the Board to pay, or to cause to be discharged, or to make provision for, any such tax, assessments, lien or charge before the time when payment thereof shall be due or so long as the validity thereof shall be contested in good faith by appropriate legal proceedings or in continuing, good faith negotiations.

ARTICLE VI. DEFESANCE

Section 6.01 Defeasance. When all Debt Service Requirements with respect to any series of Parity Bonds have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged, and the Parity Bonds shall no longer be deemed to be Outstanding within the meaning of the Parity Bonds Resolution. There shall be deemed to be such due payment of the Parity Bonds when the Board has placed in escrow and in trust with a Commercial Bank located within or without the State, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, premium, if any, and interest as the same become due to their final maturities. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Board and such bank at the time of the creation of the escrow, or the Federal Securities

shall be subject to redemption at the option of the owners thereof to assure such availability as so needed to meet such schedule. The sufficiency of the Federal Securities deposited to any escrow shall be verified by an Independent Accountant. The investment of the amounts deposited in the escrow shall comply with the applicable provisions of the related Supplemental Resolution and related Tax Certificate.

**ARTICLE VII.
EVENTS OF DEFAULT AND REMEDIES**

Section 7.01 Events of Default. Each of the following events is hereby declared an "Event of Default" under the Parity Bonds Resolution:

(a) Payment of Debt Service Requirements on any of the Parity Bonds shall not be made when the same shall become due and payable, either at maturity, by proceedings for prior redemption or otherwise; or

(b) The Board defaults in the punctual performance of the covenants contained in the Parity Bonds Resolution for 60 days after written notice shall have been given by the Registered Owners of not less than 25% of the outstanding principal amount of the Parity Bonds then Outstanding.

Section 7.02 Remedies for Events of Default. Upon the happening of any Event of Default, any Owner of the Parity Bonds, or a trustee therefor, may proceed against the Board to protect and enforce the rights of any Owner of Parity Bonds by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, injunctive relief, or requiring the Board to act as if it were the trustee of an express trust, or any combination of such remedies. The Parity Bonds shall not be subject to acceleration upon the occurrence of an Event of Default or for any other reason and neither the Owners of the Parity Bonds nor any trustee therefor or representative thereof shall be permitted to declare the Debt Service Requirements of the Parity Bonds to be due and payable prior to their scheduled payment dates.

All proceedings shall be maintained for the equal benefit and protection of all Owners of the Parity Bonds. The failure of any Owner to proceed does not relieve the Board or any person of any liability for failure to perform any duty hereunder. The foregoing rights are in addition to any other right, and the exercise of any right by any Owner shall not be deemed a waiver of any other right.

**ARTICLE VIII.
AMENDMENT OF MASTER BOND RESOLUTION AND SUPPLEMENTAL
RESOLUTIONS; MISCELLANEOUS**

Section 8.01 Amendment of Master Bond Resolution.

(a) The Board may, without the consent of or notice to the Owners, adopt Supplemental Resolutions, which Supplemental Resolutions shall thereafter form a part hereof, for any one or more of the following purposes:

(i) to authorize the issuance of Parity Bonds and, in connection therewith or otherwise, to specify and determine any matters and things that are not contrary to or inconsistent with this Master Bond Resolution, including without limitation, provisions with respect to Credit Facilities and Financial Products Agreements, provisions creating and applying additional funds or accounts and provisions for the marketing or remarketing of Parity Bonds;

(ii) to subject to the Parity Bonds Resolution or pledge to the payment of the Parity Bonds, additional revenues, properties or collateral;

(iii) 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; and

(iv) to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in this Master Bond Resolution or any Supplemental 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 Master Bond Resolution or any Supplemental 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 Parity Bonds.

For the purposes of Section 8.01(a)(iv), if the Rating Agencies shall confirm 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 Parity Bonds, such proposed amendment or supplement shall be deemed to "not materially adversely affect the interests of the Owners of the Parity Bonds."

(b) Except for Supplemental Resolutions adopted pursuant to paragraph (a) of this Section 8.01, the Owners of not less than 51% in aggregate principal amount of the Parity Bonds then Outstanding shall have the right, from time to time, to consent to and approve the adoption by the Board of such Supplemental Resolutions as shall be deemed necessary or desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Bond Resolution or any Supplemental Resolution.

(c) Notwithstanding the provisions of subparagraphs (a) and (b) above, no Supplemental Resolution shall permit, without the written consent of the Owner of any Outstanding Parity Bond so affected:

(i) the extension of the maturity of any Parity Bond;

(ii) the reduction of the principal amount or interest rate of any Parity Bond;

(iii) the creation of a lien upon the Net Revenue ranking prior to the lien created by the Parity Bonds Resolution;

(iv) the reduction of the principal amount of the Parity Bonds required for consent to any waiver or modifications; or

(v) the establishment of priorities between Parity Bonds.

(d) If at any time the Board shall desire to adopt a Supplemental Resolution for the purposes of subparagraph (b) above, the Board shall cause notice of the proposed adoption of such Supplemental Resolution to be given by mailing such notice by certified or registered first-class mail to each Owner of a Parity Bond to the address shown in the related Bond Register, at least 30 days prior to the proposed date of adoption of any such Supplemental Resolution. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Board or some other suitable location for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the Board following the giving of such notice, the Owners of not less than the required percentage in aggregate principal amount of the Parity Bonds then Outstanding at the time of the execution of any such Supplemental Resolution shall have consented to and approved the execution thereof as herein provided, no Owner of any Parity 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 Board from adopting the same or from taking any action pursuant to the provisions thereof.

(e) Notwithstanding any provision of this Master Bond Resolution to the contrary and except as limited as set forth below, any Bond Insurer, in respect of the series of Parity Bonds insured by such Bond Insurer shall, at the option of the Board, at all times be deemed the sole and exclusive owner of the Outstanding Parity Bonds of such series for the purposes of all approvals, consents, related notices, including the notice set forth in subparagraph (d) above, waivers, institution of any action and the direction of all remedies pursuant to the Parity Bonds Resolution including but not limited to approval of or consent to any amendment or supplement to the Parity Bonds Resolution that requires the consent or approval of the Owners of not less than 51% in aggregate principal amount of the Parity Bonds then Outstanding. Bond Insurers shall not be deemed the sole and exclusive Owner of the Outstanding Parity Bonds, but shall have the right to consent, with respect to any amendment or supplement to the Parity Bonds Resolution that seeks to amend or supplement the Parity Bonds Resolution for the purposes set forth in Section 8.01(c)(i), (ii), (iii), (iv) or (v) hereof. Bond Insurers shall not have the right to direct or consent to Board, Paying Agent or Owner action as provided herein or approve, consent, waive, institute any action or direct remedies as described above, if:

(i) the Bond Insurer shall be in payment default under its Bond Insurance Policy;

(ii) any material provision of the related Bond Insurance Policy shall be held to be invalid by a final, non-appealable order of a court of competent jurisdiction, or the validity or enforceability thereof shall be contested by the Bond Insurer; or

(iii) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Bond Insurer under Article 16 of the Insurance Law of the State of New York or any successor provision thereto and such proceeding is not terminated for a period of 90 consecutive days or such court enters an order granting the relief sought in such proceeding.

(f) Upon the execution of any Supplemental Resolution pursuant to this Master Bond Resolution, the Parity Bonds Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Parity Bonds Resolution of the Board, the Registrar, the Paying Agent and all Owners of Parity Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

(g) The Board shall mail notice of any Supplemental Resolution to any Rating Agency then rating the Outstanding Parity Bonds.

Section 8.02 Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Parity Bonds as provided in the Parity Bonds Resolution shall be governed by Section 11-57-208 of the Supplemental Act and the Parity Bonds Resolution. The revenues pledged for the payment of the Parity Bonds, as received by or otherwise credited to the Board shall immediately be subject to the lien of each such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues pledged for payment of the Parity Bonds and the obligation to perform the contractual provisions made herein shall have priority over any or all other obligations and liabilities of the Board. 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 Board irrespective of whether such persons have notice of such liens.

Section 8.03 No Recourse Against Officers, Agents and Employees. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer, agent or employee of the Board acts in good faith, no civil recourse shall be available against such member, officer, agent or employee for payment of the principal, interest or prior redemption premiums on the Parity Bonds. Such recourse shall not be available either directly or indirectly through the Board or the public entity, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Parity Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Parity Bond specifically waives any such recourse.

Section 8.04 Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Parity Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Parity Bonds after their delivery for value.

Section 8.05 Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Parity Bonds shall be paid either from the proceeds of the related series of Parity Bonds or from legally available moneys of the Board, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 8.06 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 any Paying Agent or 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 such Paying Agent or Registrar is authorized or required by law to remain closed.

Section 8.07 Computation of Time.

(a) In computing a period of days, the first day is included and the last day is excluded.

(b) If the last day of any period is a Saturday, Sunday or legal holiday, the period is extended to include the next day which is not a Saturday, Sunday or legal holiday.

(c) If a number of months is to be computed by counting the months from a particular day, the period ends on the same numerical day in the concluding month as the day of the month from which the computation is begun, unless there are not that many days in the concluding month, in which case the period ends on the last day of that month.

Section 8.08 Parity Bonds Resolution Irrepealable. After any of the Parity Bonds have been issued, the Parity Bonds Resolution shall constitute an irrevocable contract between the Board and the Owners, and shall be and remain irrepealable until the Parity Bonds and the interest accruing thereon shall have been fully paid, satisfied and discharged as herein provided.

Section 8.09 Severability. If any section, paragraph, clause or provision of this Master 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 Master Bond Resolution, the intent being that the same are severable.

Section 8.10 Repealer. All orders, resolutions, bylaws and regulations of the Board, or parts thereof, inconsistent with this Master Bond Resolution are hereby repealed to the extent only of such inconsistency.

Section 8.11 Recording. This Master Bond Resolution, immediately on its passage, shall be recorded in the books of resolutions of the Board kept for that purpose, shall be authenticated by the signatures of the President and Secretary.

Section 8.12 Effective Date. This amended and restated in full Master Bond Resolution shall take effect immediately upon its adoption and approval.

[Signature page follows.]

ADOPTED AND APPROVED this 28th day of June, 2023

President
Board of Water Commissioners

(SEAL)

Secretary
Board of Water Commissioners

[Signature Page]

TITLE: AMENDED AND RESTATED MASTER BOND RESOLUTION

A RESOLUTION DESIGNATED BY THE SHORT TITLE "RESOLUTION (~~03-22-1706-28-23~~) AUTHORIZING AMENDMENT AND RESTATEMENT OF MASTER BOND RESOLUTION"; AUTHORIZING CERTAIN AMENDMENTS TO THE MASTER BOND RESOLUTION RELATING TO THE ISSUANCE OF PARITY BONDS AND THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED MASTER BOND RESOLUTION; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

ADOPTED AND APPROVED ~~BE IT RESOLVED ON JUNE 28, 2023,~~ BY THE CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS ~~OF THE CITY AND COUNTY OF DENVER:~~

Craig S. Jones, Board President

James S. Lochhead, Secretary

ARTICLE I DEFINITIONS AND RECITALS

Section 1.01. Short Title. This resolution shall be known as and may be cited by the short title "Resolution (~~03-22-1706-28-23~~) Authorizing Amendment and Restatement of Master Bond Resolution."

Section 1.02. Definitions.

(a) All defined terms in this Resolution have the meanings set forth in the Parity Bonds Resolution, except as otherwise expressly provided herein.

(b) The terms defined in this section shall have the designated meanings for all purposes of this Resolution, except where the context by clear implication requires otherwise.

"Parity Bonds Resolution" means the Master Bond Resolution, as amended and restated pursuant to this Resolution and as amended and supplemented from time to time, together with all Supplemental Resolutions as defined therein.

"Prior Master Bond Resolution" means the original Master (3-14-07) Bond Resolution adopted by the Board on March 14, 2007, as heretofore amended by the Series 2009A (05-13-09) Third Supplemental Bond Resolution, the Series 2010 (09-08-10) Fourth Supplemental Bond Resolution and the Amendment to Master Bond Resolution (04-11-12) Fifth Supplemental Resolution, and as amended and restated in full by the Master (03-22-17) Bond Resolution adopted by the Board on March 22, 2017.

"Resolution" or "this Resolution" means this Resolution (~~03-22-1706-28-23~~) Authorizing Amendment and Restatement of Master Bond Resolution.

"Section 8.01(a)(iv) Amendments" means amendments the Board may make to the Prior Master Bond Resolution by Supplemental Resolution, without the consent of or notice to the Owners of Outstanding Parity Bonds, "to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in ~~{the}~~ Master Bond Resolution or any Supplemental Resolution, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under ~~{the}~~ Master Bond Resolution -or any Supplemental 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 Parity Bonds."

Section 1.03. Recitals. The Board makes the following recitals in connection with the adoption of this Resolution and the execution and delivery of the amended and restated Master (~~03-22-1706-28-23~~) Bond Resolution.

(a) The Prior Master Bond Resolution is in full force and effect. At the time of the adoption of the original Master Bond Resolution through the adoption of the ~~Fifth Supplemental~~ Master (03-22-17) Bond Resolution, certain issues of Senior Bonds ~~and General Obligation Bonds~~ (as defined in the Prior Master Bond Resolution) were Outstanding and were provided for in the Prior Master Bond Resolution. Such issues of Senior Bonds ~~and General Obligation Bonds~~ are no longer Outstanding.

Adopted by the Board on June 28, 2023

(b) The Board intends to make certain technical and clarifying amendments to the Prior Master Bond Resolution, all of which may be implemented as Section 8.01(a)(iv) Amendments, primarily to ~~delete~~ secure ambiguities, update statutory references to the issues of Senior Bonds and General Obligation Bonds (no longer Outstanding) internal cross references, and to ~~rename defined terms relating to~~ change the treatment of Capital Improvements Lease Payments to be more consistent with the Supplemental Resolutions authorizing the issuance character of Parity Bonds in order to link the defined terms to the series of Parity Bonds having been or being issued such obligations, as reflected in the redlined version (indicating deletions, insertions and other changes) of the Master (03-22-1706-28-23) Bond Resolution set forth as Exhibit A hereto, and to adopt, execute and deliver the amended and restated Master (03-22-1706-28-23) Bond Resolution in the form set forth as Exhibit B hereto.

ARTICLE II

AUTHORIZATION OF AMENDMENTS TO PRIOR MASTER BOND RESOLUTION AND EXECUTION ~~AND~~ DELIVERY OF MASTER (03-22-1706-28-23) BOND RESOLUTION

Section 2.01. Authorization to Enter into Section 8.01(a)(iv) Amendments to Prior Master Bond Resolution and Execute and Deliver Amended and Restated Master (03-22-1706-28-23) Bond Resolution. The Board hereby determines: (a) to authorize and adopt the Section 8.01(a)(iv) Amendments to the Prior Master Bond Resolution set forth in the redlined version (indicating deletions, insertions and other changes) of the Master (03-22-1706-28-23) Bond Resolution set forth as Exhibit A hereto and to execute and deliver the amended and restated Master (03-22-1706-28-23) Bond Resolution set forth as Exhibit B hereto; and (b) that the Master (03-22-1706-28-23) Bond Resolution set forth as Exhibit B hereto has been and is entered into on a basis that is consistent with the ~~Charter~~ Charter and all of the Board's covenants and agreements contained in the Prior Master Bond Resolution, all as permitted by the Prior Master Bond Resolution.

Section 2.02. Authorization to Execute and Deliver Master (03-22-1706-28-23) Bond Resolution. The Master (03-22-1706-28-23) Bond Resolution shall be executed in the name of the Board and on its behalf with the signature of the President and countersigned with the signature of the Auditor.

ARTICLE III MISCELLANEOUS

Section 3.01. Costs and Expenses. All costs and expenses incurred in connection with the execution and delivery of the Master (03-22-1706-28-23) Bond Resolution shall be paid from legally available moneys of the Board and the expenditure of such moneys is hereby approved for that purpose.

Section 3.02. Delegation of Authority. The Chief Finance Officer and the Treasurer are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution including the mailing of notice of this Resolution to the Rating Agencies currently rating the Parity Bonds pursuant to Section 8.01(g) of the Prior Master Bond Resolution and the delivery of any documents related to the execution and delivery of the Master (03-22-1706-28-23) Bond Resolution.

Section 3.03. Ratification. All actions heretofore taken by the Board, the officers, the employees and the members of the Board, not inconsistent with the provisions of the Prior Master Bond Resolution,

Adopted by the Board on June 28, 2023

and this Resolution, relating to the authorization, execution and delivery of the Master (~~03-22-1706-28-23~~) Bond Resolution, are hereby ratified, approved and confirmed.

Section 3.04. This Resolution Irrepealable. After the execution and delivery of the Master (~~03-22-1706-28-23~~) Bond Resolution, it shall be and remain irrepealable until the Parity Bonds and the interest accruing thereon shall have been fully paid, satisfied and discharged as provided in the Parity Bonds Resolution.

Section 3.05. Severability. If any section, paragraph, clause or provision of this 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 Resolution, the intent being that the same are severable.

Section 3.06. Repealer. All orders, resolutions, bylaws and regulations of the Board, or parts thereof, inconsistent with this Resolution are hereby repealed to the extent only of such inconsistency.

Section 3.07. Recording. This Resolution, immediately on its passage, shall be recorded in the books of resolutions of the Board, respectively, kept for that purpose, shall be authenticated by the signatures of the President and Secretary.

Section 3.08. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

Adopted by the Board on June 28, 2023

CITY AND COUNTY OF DENVER, COLORADO
BOARD OF WATER COMMISSIONERS

MASTER BOND RESOLUTION

(AMENDED AND RESTATED ON ~~MARCH 22, 2017~~ JUNE 28, 2023)

RELATING TO
WATER REVENUE BONDS

MASTER BOND RESOLUTION

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MASTER BOND RESOLUTION

A RESOLUTION DESIGNATED BY THE SHORT TITLE "MASTER (~~03-22-1706-28-23~~) BOND RESOLUTION"; AMENDED AND RESTATED IN FULL FROM THE PRIOR MASTER BOND RESOLUTION; PROVIDING FOR THE EXTENSION, BETTERMENT, OTHER IMPROVEMENT AND EQUIPMENT OF THE WATER WORKS SYSTEM; ESTABLISHING GENERAL PROVISIONS RELATING TO ~~THE-PARITY-WATER-REVENUE~~ BONDS OF THE BOARD; PROVIDING FOR THE COLLECTION AND DISPOSITION OF REVENUES DERIVED FROM THE OPERATION OF THE SYSTEM; PLEDGING NET REVENUES DERIVED FROM THE OPERATION OF THE SYSTEM TO THE PAYMENT OF THE PARITY BONDS ISSUED PURSUANT TO THIS MASTER BOND RESOLUTION AND EACH RELATED SUPPLEMENTAL RESOLUTION; PROVIDING VARIOUS COVENANTS-, AGREEMENTS AND OTHER DETAILS AND MAKING OTHER PROVISIONS CONCERNING THE SYSTEM, SYSTEM REVENUES, THE PARITY BONDS AND CAPITAL AND REFUNDING PROJECTS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS ~~OF THE CITY AND COUNTY OF DENVER:~~

**ARTICLE I.
DEFINITIONS, RECITALS, RATIFICATION AND OTHER PROVISIONS**

Section 1.01 Short Title; Amendment and Restatement. This resolution shall be known as and may be cited by the short title "Master (~~03-22-1706-28-23~~) Bond Resolution."

This resolution constitutes the amendment and restatement in full of the original Master (3-14-07) Bond Resolution adopted by the Board on March 14, ~~2017~~2007, as heretofore amended by the Series 2009A (05-13-09) Third Supplemental Bond Resolution, the Series 2010 (09-08-10) Fourth Supplemental Bond Resolution and the Amendment to Master Bond Resolution (04-11-~~12~~) Fifth Supplemental Resolution, and as heretofore amended and restated in full by the Master (03-22-17) Bond Resolution adopted by the Board on March 22, 2017 (the original Master (3-14-07) Bond Resolution as amended, and as amended and restated prior to the date hereof, the "Prior Master Bond Resolution") and as further amended herein, all in accordance with the provisions of the original Master (3-14-07) Bond Resolution.

Section 1.02 Definitions. The terms defined in this section shall have the designated meanings for all purposes of this Master Bond Resolution, any Supplemental Resolution and, as amended and supplemented by Supplemental Resolutions, the Parity Bonds Resolution, except where the context by clear implication requires otherwise.

"Auditor" means the Auditor of the City as referenced and provided in Section 10.1.8 of the Charter.

"Beneficial Owner" means the beneficial owner of Parity Bonds registered in the name of the Depository or its nominee.

"Board" means the Board of Water Commissioners of the City and County of Denver, Colorado.

"Bond Counsel" means any firm of nationally recognized municipal bond attorneys selected by the Board and experienced in the issuance of municipal bonds and the excludability of interest thereon from gross income for federal income tax purposes.

"Bond Register" means the registration books for the Parity Bonds maintained by or on behalf of the Board by any Registrar.

"Bond Insurance Policy" means, in respect of any series of Parity Bonds, "Bond Insurance Policy" as defined in the related Supplemental Resolution.

"Bond Insurer" means, in respect of any series of Parity Bonds, "Bond Insurer" as defined in the related Supplemental Resolution.

"Business Day" means "Business Day" as defined in any Supplemental Resolution.

"Capital Improvements" means the acquisition of land, easements, facilities, water rights and equipment (other than ordinary repairs and replacements), and the construction or

reconstruction of improvements, betterments and extensions, for use by or in connection with the System.

"Capital Improvements Lease Payments" means the principal and interest components of the annual lease payments due under any lease entered into by the Board, as lessee, in order to provide Capital Improvements.

"Capital Project" means the acquisition, construction and installation of Capital Improvements to the System, as may be more fully described in any Supplemental Resolution.

"Charter" means the home rule charter of the City, as amended and supplemented from time to time.

"Chief Finance Officer" means the Chief Finance Officer ~~(formerly Director of Finance)~~ of the Board or the designee of the Chief Finance Officer.

"City" means the City and County of Denver, Colorado.

"Code" means the Internal Revenue Code of 1986, as amended and supplemented from time to time.

"Combined Average Annual Debt Service Requirements" means with regard to any two or more particular issues of Securities, the aggregate of all Debt Service Requirements to become due from the date of computation to the date of maturity of the latest maturing obligation of such Securities, divided by the number of years between such dates; *provided that* if any particular issue of Securities, including Commercial Paper Notes, has a single principal payment date and is issued as interim notes or Securities in anticipation of permanent financing, such principal amount shall be excluded from this computation.

"Commercial Bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation or of the Federal Reserve System, which has capital and surplus of \$10,000,000 or more and which is located within the United States of America.

"Commercial Paper Notes" means any bonds or notes payable from and having an irrevocable lien upon all or a portion of the Net Revenue (a) which have a stated maturity date which is not more than 270 days after the date of issuance thereof and (b) are designated as Commercial Paper Notes in the resolution authorizing their issuance, but does not include any Credit Facility Obligations relating to such bonds or notes.

"Credit Facility" means any letter or line of credit, standby liquidity support or purchase agreement, revolving credit agreement, policy of bond insurance, surety bond or guarantee or similar instrument (other than a Reserve Policy) issued by a financial, insurance or other institution and which specifically provides security, liquidity or both in respect of Securities payable from all or a portion of the Net Revenue.

"Credit Facility Obligations" means repayment or other obligations incurred by the Board in respect of draws or other payments or disbursements made under a Credit Facility.

"C.R.S." means the Colorado Revised Statutes, as amended and supplemented ~~as of the date hereof~~from time to time.

"Debt Service Account" means the book account designated the "Parity Bonds Resolution Debt Service Account" established in the Water Works Fund by this Master Bond Resolution.

"Debt Service Requirements" means for any period, the amount required to pay the principal of, any optional redemption premium then due on, and interest on, any designated Outstanding Securities during such period; *provided that*

(a) the determination of the Debt Service Requirements of any Securities, shall assume the redemption and payment of such Securities on any applicable mandatory Redemption Dates and shall not take into account any mandatory or optional tender for purchase provisions of any Securities;

(b) in any computation relating to the issuance of Parity Bonds there shall be excluded from the computation of Debt Service Requirements an amount equal to any proceeds on deposit in a bond fund for such Securities constituting capitalized interest;

(c) for Variable Rate Bonds such amount shall be calculated assuming that the Variable Rate Bonds bear interest during the related period as follows: (i) if the Variable Rate Bonds have been Outstanding for at least twelve (12) months, assume that the Variable Rate Bonds bear interest at the higher of the actual rate borne by the Variable Rate Bonds on the date of calculation or the average rate borne by the Variable Rate Bonds over the twelve (12) months immediately preceding the date of calculation, and (ii) if the Variable Rate Bonds have been Outstanding for less than twelve (12) months or are not yet Outstanding, assume that the Variable Rate Bonds bear interest at the higher of the actual rate borne by the Variable Rate Bonds on the date of calculation or (A) if interest on the Variable Rate Bonds is excludable from gross income under the applicable provisions of the Code, the average rate set forth on the SIFMA Index over the twelve (12) months immediately preceding the date of calculation, or (B) if interest is not so excludable, the average rate on direct Federal Securities with maturities comparable to the rate reset period;

(d) for purposes of this calculation, if a Financial Products Agreement has been entered into by the Board with respect to any Parity Bonds, interest on such Parity Bonds shall be included in the calculation of such principal and interest by including, for the related period, an amount equal to the amount of interest payable on such Parity Bonds during such period determined as provided in subparagraph (c) above plus any Financial Products Payments payable in the related period minus any Financial Products Receipts receivable in such period ; provided that in no event shall any calculation made pursuant to this paragraph (d) result in a number less than zero being included in the calculation of such interest;

(e) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swaps or other similar Financial Products Agreement which Financial Products Payments or Financial Products Receipts are based on interest rates that are not fixed in percentage for the entire term of the Financial Products

Agreement, such amount shall be calculated by assuming such variable interest rate is a fixed interest rate equal to (i) if the Financial Products Agreement relates to Variable Rate Bonds, the fixed rate of interest estimated for such Variable Rate Bonds as provided above in subparagraph (c) or (ii) if the Financial Products Agreement relates to the Securities which bear interest at a fixed interest rate, the average of the daily interest rate for such Financial Products Payments or Financial Products Receipts under such Financial Products Agreement during the twelve (12) months preceding the calculation or during the time the Financial Products Agreement has been in effect if less than twelve (12) months and if such Financial Products Agreement is not then in effect, the variable interest rate shall be deemed to be a fixed interest rate equal to the average daily interest rate for such Financial Products Payments or Financial Products Receipts that would have been applicable if such Financial Products Agreement had been in effect for the preceding twelve (12) month period, which average daily interest rate shall be set forth in a certificate of the Chief Finance Officer;

(f) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swap, cap, floor, collar or other similar Financial Products Agreement with respect to Securities that are Variable Rate Bonds, such amount shall be calculated by assuming the interest rate on the related Variable Rate Bonds will be a fixed interest rate equal to the average of the daily interest rate on such Variable Rate Bonds during the twelve (12) months preceding the calculation or during the time the Variable Rate Bonds are Outstanding if less than twelve (12) months and if such Variable Rate Bonds are not at the time of calculation Outstanding, the variable interest rate shall be deemed to be a fixed interest rate equal to the average daily interest rate which such Variable Rate Bonds would have borne if they had been Outstanding for the preceding twelve (12) month period as estimated by the Chief Finance Officer, all as set forth in a certificate of the Chief Finance Officer;

(g) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swap, cap, floor, collar or other similar Financial Products Agreement with respect to Securities bearing interest at a fixed rate, such amount shall be the amount payable or receivable annually determined as of the date of issuance of the Securities as set forth in a certificate of the Chief Finance Officer; and

(h) for the purposes of this calculation, if Commercial Paper Notes are then Outstanding or are the Parity Bonds proposed to be issued, it shall be assumed that (i) the principal amount of any Commercial Paper Notes Outstanding is the principal amount of the Commercial Paper Notes Outstanding at the time the calculation is being made and (ii) the Commercial Paper Notes will bear interest on the unpaid principal amount thereof at a fixed rate of interest equal to the twelve (12) month average of the SIFMA Index.

"Denver Water" means the property and personnel under control of the Board to be generally referred to as "Denver Water" as provided in Section 10.1.6 of the Charter.

"Depository" means any qualified securities depository selected by the Board as provided in a Supplemental Resolution in respect of any series of Parity Bonds.

"Event of Default" means any of the events set forth in Section 7.01 of this Master Bond Resolution.

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

"Fiscal Year" means the 12 months commencing January 1 of any year and ending December 31 of said year.

"Financial Products Agreements" means any interest rate swap, cap, collar, floor, hedging agreement, arrangement or security, however denominated, entered into by the Board with a Provider with respect to any Parity Bonds or specific Securities or as otherwise permitted by State law and providing that any payments by the Board thereunder are payable from a lien on all or a portion of the Net Revenue and for the purpose of (i) reducing or otherwise managing the Board's risk of interest rate changes or interest rate costs or (ii) effectively converting the Board's interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, from a variable rate exposure to a variable rate exposure or from a variable rate exposure to a fixed rate exposure.

"Financial Products Payments" means payments periodically required to be paid to a Provider by the Board pursuant to a Financial Products Agreement but specifically excluding Financial Products Termination Payments.

"Financial Products Receipts" means amounts periodically required to be paid to the Board by a Provider pursuant to a Financial Products Agreement but specifically excluding any Financial Products Termination Payment.

"Financial Products Termination Payment" means any termination, settlement or similar payments required to be paid upon an early termination of the Financial Products Agreement as a result of any event of default or termination event thereunder. As provided in Section 4.03 of this Master Bond Resolution, no Financial Products Termination Payment required under any Financial Products Agreement shall be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

"Gross Revenue" means all income and revenues directly or indirectly derived by the Board from the operation and use of the System, or any part thereof, including without limitation, any rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges for the services furnished by, or for the use of, the System, and proceeds realized from any past or future dispositions of System property or rights or related contracts, settlements or judgments, and including investment income accruing from moneys held to the credit of the Water Works Fund; *provided, however*, that there shall be excluded from Gross Revenues any moneys borrowed and used for providing Capital Improvements; -any- money and securities and investment income therefrom, in any refunding account, escrow- fund or similar account pledged to the payment of any bonds or other obligations; any Financial Products Receipts, any Financial Products Termination Payment, and any moneys received as grants or appropriations from the United States, the State, other local governments or enterprises or other sources, the use of which

is limited or restricted to the provision of Capital Improvements (including oversizing of facilities or similar capital improvements) or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service or the disposal of any commodities therefrom.

"Independent Accountant" means a certified public accountant or firm of certified public accountants within the meaning of Section 12-~~2-115~~100-112, C.R.S., licensed to practice in the State, who is independent in fact and not an officer or employee of the Board.

"Interest Subaccount" means the subaccount of the Debt Service Account so designated and established by this Master Bond Resolution.

"Master Bond Resolution" means this Master Bond Resolution, constituting the amendment and restatement in full of the Prior Master Bond Resolution as described in Section hereof.

"Net Revenue" means the Gross Revenue after deducting the Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the Board, paid or ~~accrued~~accrued, for operating, maintaining and repairing the System, including without limitation legal and other overhead expenses of the Board related to the administration of the System, insurance premiums, payments of claims under a self-insurance program, audits, charges of depository banks and paying agents, professional services, salaries and administrative expenses, labor and the cost of materials, supplies for current operations, payments of rebate obligations to the United States of America as further provided in any Supplemental Resolution and any related Tax Certificate of the Board in respect of the Parity Bonds and any similar payment of rebate obligations provision of any resolution (and related tax certificate) in respect of the Capital Improvements Lease Payments, rental payments under operating leases and administrative costs and expenses related thereto; *provided, however*, that there shall be excluded from Operation and Maintenance Expenses any allowance for depreciation, non-cash overhead expenses of the System, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations issued or entered into to provide Capital Improvements, Capital Improvements Lease Payments, ~~and~~ charges for the accumulation of reserves.

"Other Available Funds" means for any Fiscal Year, the amount of revenues not constituting Net Revenues determined by the Chief Finance Officer to be transferred from the Water Works Fund to the Debt Service Account; but in no event shall such aggregate amount exceed 10% of the Combined Average Annual Debt Service Requirements of the Parity Bonds and the Capital Improvements Lease Payments.

"Outstanding" means:

(a) when used with reference to any Parity Bonds and as of any particular date all such Parity Bonds theretofore executed, issued and delivered by the Board except:

(i) any Parity Bonds canceled or paid by or on behalf of the Board on or before such date as surrendered to the Board, a Registrar or a Paying Agent for cancellation and any ~~Parity~~ Parity Bonds owned by the Board;

(ii) any Parity Bonds deemed to have been paid as provided in Section 6.01 hereof;

(iii) any Parity Bonds in lieu of, or in substitution for which other Parity Bonds shall have been executed, ~~issue~~ ~~issued~~ and delivered by the Board and authenticated by the Registrar unless proof satisfactory to the Registrar is presented that any such other Parity Bonds are duly held by the lawful Registered Owners thereof;

(iv) any Parity Bonds (or portions of Parity Bonds) for the payment or redemption of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or Redemption Date, shall be held in trust and set aside for such payment or redemption (whether at or prior to the maturity or Redemption Date), provided that if such Parity Bonds are to be redeemed, notice of such redemption shall have been given as provided in the Supplemental Resolution authorizing the issuance of such Parity Bonds or provision satisfactory to the Registrar of such Parity Bonds shall have been made for the giving of such notice;

(v) any Parity Bonds deemed tendered or purchased as provided by any Supplemental Resolution; and

(vi) any Parity Bonds the principal and/or interest due on which have been paid by the Provider of a Credit Facility.

(b) when used with reference to (i) Securities other than the Parity Bonds ~~and the~~ ~~(ii) the~~ Capital Improvements Lease Payments and as of any particular date, all such obligations theretofore issued or incurred and not paid and discharged other than:

~~(A)~~ Capital Improvements Lease Payments for which the Board has elected to not appropriate funds in accordance with the applicable lease provisions;

~~(A)(B)~~ obligations theretofore cancelled by a trustee or paying agent for such obligations or by the owner of such obligations;

~~(B)(C)~~ obligations deemed paid and no longer ~~Outstanding~~ ~~outstanding~~ as provided in the document pursuant to which the obligations were issued;

~~(C)(D)~~ any obligations held by the Board; and

~~(D)(E)~~ obligations in lieu of which other obligations have been authenticated and delivered pursuant to the provisions of the document pursuant to

which it was issued regarding transfer or exchange of the obligations or regarding mutilated, destroyed, lost or stolen obligations unless proof satisfactory to the Chief Finance Officer has been received that any such obligations are held by a bona fide purchaser.

"Parity Bonds" means any Securities issued pursuant to ~~the provisions of this Master Bond Resolution that~~ are payable from Net Revenue and which payment is secured by a pledge of and a lien on the Net Revenue, but Parity Bonds does not include (a) the Capital Improvements Lease Payments, (b) any Securities that are Subordinate Lien Obligations and any Credit Facility Obligations or Financial Products Agreements relating to any such Securities.

"Parity Bonds Resolution" means this Master Bond Resolution as supplemented and amended from time to time by Supplemental ~~Resolution~~Resolutions.

"Parity Credit Facility Obligations" means any Credit Facility Obligations payable from all or a portion of the Net Revenue on a parity with the Parity Bonds.

"Parity Financial Products Agreement" means any Financial Products Agreement pursuant to which Financial Products Payments are payable from a lien on all or a portion of the Net Revenue on a parity with the Parity Bonds. As provided in Section 4.03 of this Master Bond Resolution, no Financial Products Termination Payment required under any Parity Financial Products Agreement shall be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

"Paying Agent" means the commercial or trust bank or its successor designated in a Supplemental Resolution, which shall perform the function of paying agent for the applicable ~~of~~ Parity Bonds.

"Permitted Investments" means investments or deposits which comply with the requirements of the applicable provisions of the State, the Charter and Board policies relating to the investment or deposit of Board moneys.

"President" means the President of the Board.

"Principal Subaccount" means the subaccount of the Debt Service Account so designated and established by this Master Bond Resolution.

"Project Account" means any account designated a "Project Account" in respect of any series of Parity Bonds established in the Water Works Fund by Supplemental Resolution for the purpose of providing any Capital Project or Refunding Project or any combination thereof, as may be provided by Supplemental Resolution. For any Refunding Project, the Project Account may be designated as a Refunding Escrow Account.

"Project Costs" means the costs properly attributable to any Capital Project, any Refunding Project, or any part thereof, including without limitation:

- (a) the costs of labor and materials, of machinery, furnishings and equipment, and of the restoration of property damaged or destroyed in connection with construction work;
- (b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes or other municipal or governmental charges lawfully levied or assessed;
- (c) administrative and general overhead costs;
- (d) the costs of reimbursing funds advanced by the Board in anticipation of reimbursement from bond proceeds;
- (e) the costs of surveys, appraisals, plans, designs, specifications and estimates;
- (f) the costs, fees and expenses of printers, engineers, architects, financial consultants, legal advisors or other agents or employees;
- (g) the costs of publishing, reproducing, posting, mailing or recording documents;
- (h) the costs of contingencies or reserves;
- (i) the costs of issuing the Parity Bonds;
- (j) the costs of amending any resolution or other instrument relating to the Parity Bonds, any Capital Project and any Refunding Project;
- (k) the costs of repaying any short-term financing, construction loans and other temporary loans, and of the incidental expenses incurred in connection with such loans;
- (l) the costs of acquiring any property, rights, water rights, easements, licenses, privileges, agreements and franchises;
- (m) the costs of demolition, removal and relocation; and
- (n) all other lawful costs as determined by the Board.

"Pro Rata Portion" means when used with respect to a required credit to the Principal Subaccount or the Interest Subaccount, the dollar amount determined by dividing the amount of principal or interest to come due on the next principal or interest payment date by the number of monthly credits required to be made prior to such payment date.

"Provider" means any financial institution or insurance company which is a parity party to a Financial Products Agreement with the Board.

"Purchaser" means, in connection with any Parity Bonds, the entity purchasing the Parity Bonds or any representative or successor thereof.

"Rating Agencies" or "Rating Agency" means ~~Fitch, Inc., Moody's Investor Service, Inc., Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. and any other~~ any nationally recognized securities rating agency then maintaining a rating with respect to the Parity Bonds.

"Rebate Account" means any book account designated a "Rebate Account" in respect of any series of Parity Bonds established in the Water Works Fund by Supplemental Resolution in respect of each series of Parity Bonds, all as may be provided by Supplemental Resolution.

"Redemption Date" means the date fixed by the Board for the mandatory or optional redemption of any Parity Bonds prior to their respective fixed maturity dates pursuant to the terms of a Supplemental Resolution.

"Redemption Price" means, with respect to any Parity Bond, the principal amount thereof plus the applicable premium, if any, payable upon the Redemption Date as provided in a Supplemental Resolution.

"Refunding ~~Projec~~Project" means the refunding of any Securities issued by the Board, as may be more fully described in any Supplemental Resolution, including the refunding of any Parity Bonds.

"Registered Owner" or "Owner" means the registered owner of any Parity Bond as shown by the Bond Register.

"Registrar" means the commercial or trust bank or its successor designated in a Supplemental Resolution, which shall perform the registration and transfer functions with respect to the applicable series of Parity Bonds.

"Regular Record Date" means, with respect to a particular series of Parity Bonds, the record date for determining ownership of a Parity Bond for the purpose of paying interest as it becomes due, as such date is provided by Supplemental Resolution.

"Reserve Account" means any account designated a "Reserve Account" in respect of any series of Parity Bonds established in the Water Works Fund by Supplemental Resolution for the purpose of providing for related reserve requirements for a series of Parity Bonds, all as shall be further provided by Supplemental Resolution.

"Reserve Policy" means any insurance policy, surety bond, irrevocable letter of credit or similar instrument deposited in or credited to any Reserve Account created in respect of any series of Parity Bonds in lieu of or in partial substitution for moneys on deposit therein, issued by a financial, insurance or other entity having a rating at the time such policy is deposited in or credited to such Reserve Account in the highest rating category of each of the Rating Agencies then providing a rating in respect of the related series of Parity Bonds.

"Secretary" means the Secretary of the Board.

"Securities" means bonds, notes, certificates, warrants, leases, contracts or other financial obligations or securities issued or executed by the Board and payable in whole or in part from a lien on the Net Revenue, including the Parity Bonds but not including any Credit Facility Obligations, Financial Products Agreements or any similar contractual arrangements.

"Series Reserve Amount" means, in respect of a series of Parity Bonds and as provided in the applicable Supplemental Resolution authorizing the issuance of the related series of Parity Bonds, an amount, if any, determined pursuant to such applicable Supplemental Resolution.

"SIFMA Index" means *the Securities Industry and Financial Markets Association Swap Index*, most recently produced and published by Municipal Market Data, or if such index is not published, then such other index selected by the Chief Finance Officer which reflects the yield of tax-exempt seven-day variable rate demand bonds.

"Special Record Date" means, with respect to a series of Parity Bonds, the record date for the determination of ownership of Parity Bonds for the purpose of paying interest not paid when due or interest accruing after maturity, as such date may be determined pursuant to a Supplemental Resolution.

"State" means the State of Colorado.

"Subordinate Credit Facility Obligations" means any Credit Facility Obligations payable in whole or in part from the Net Revenue and having a lien on the Net Revenue which is subordinate to the lien thereon of the Parity Bonds.

"Subordinate Financial Products Agreement" means any Financial Products Agreement pursuant to which Financial Products Payments are payable from a lien on the Net Revenue that is subordinate to the lien thereon of the Parity Bonds. As provided in Section 4.0304 of this Master Bond Resolution, no Financial Products Termination Payment required under any Subordinate Financial Products Agreement shall be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

"Subordinate Lien Obligations" means one or more series of additional bonds, notes, interim securities or other obligations payable from and having a lien on the Net Revenue that is subordinate or junior to the lien of the Parity Bonds, including Subordinate Financial Products Agreements and Subordinate Credit Facility Obligations.

"Supplemental Act" means the Supplemental Public Securities Act, constituting part 2 of article 57 of title 11, C.R.S.

"Supplemental Resolution" means any resolution of the Board amending or supplementing this Master Bond Resolution adopted prior to the date of this Master Bond Resolution pursuant to the provisions of the Prior Master Bond Resolution or on and after the date of this amended and restated in full Master Bond Resolution pursuant to the provisions of this amended and restated in full Master Bond Resolution, including without limitation any such resolution authorizing the issuance of Parity Bonds thereunder or hereunder or any resolution amending or supplementing this amended and restated in full Master Bond Resolution.

"System" means the water works system and plant which is operated under the complete charge and control of the Board and which includes the property and personnel under control of the Board to be referred to generally as Denver Water, all pursuant to Sections 10.1.1 through 10.1.22 of the Charter.

"Tax Certificate" means any tax certificate (in respect of the tax-exempt status of the interest on any series of Parity Bonds) executed and delivered by the Board in connection with the issuance of a particular series of Parity Bonds and as further provided in a related Supplemental Resolution.

"Treasurer" means the Treasurer of the Board or the designee of the Treasurer.

"Variable Rate Bonds" means any Securities issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue or the date of calculation, as the case may be.

"Water Activity Law" means article 45.1 of title 37, C.R.S. and part 4 of article 35 of title 31, C.R.S.

"Water Works Fund" means the fund created and maintained pursuant to Section 10.1.7 of the Charter into which all revenues received from the operation of the System together with all moneys received by the Board from other sources is to be placed.

Section 1.03 Recitals. The Board makes the following recitals in connection with the adoption of this Master Bond Resolution and the issuance of any Parity Bonds hereunder.

(a) The System is operated under the complete charge and control of the Board pursuant to Sections 10.1.1 through 10.1.22 of the Charter.

(b) Denver Water is, and is operated as, an "enterprise" of the City as provided in Section 20, Article X of the ~~constitution~~Constitution of the State and a "water activity enterprise" as provided in the Water Activity Law.

(c) ~~{~~The Board intends that all series of Parity Bonds issued pursuant to this Master Bond Resolution and Supplemental Resolutions (this Master Bond Resolution as supplemented and amended by Supplemental Resolutions being referred to and defined herein collectively as the "Parity Bonds Resolution") shall be payable and secured by the Net Revenue of the System and that after the date of this Master Bond Resolution, the Board shall not issue any additional bonds, notes, interim securities or other obligations payable from the Gross Revenue or the Net Revenue and having a lien thereon that is superior to the lien of the Parity Bonds~~};~~.

(d) Neither the Board nor the City has pledged or in any way hypothecated revenues derived and to be derived directly or indirectly from the operation of the System to the payment of any securities or for any other purpose (excluding (i) ~~certain lease agreements heretofore entered into by the Board, as lessee, in order to provide Capital Improvements, which upon annual renewal thereof result in the Capital Improvements Lease Payments, (ii) securities that have heretofore been redeemed in full, as to all~~

~~principal, premium, if any, and interest, or are otherwise not Outstanding and~~ ~~(iii) Outstanding Parity Bonds, and (ii) Outstanding~~ obligations with a lien expressly subordinated to the Parity Bonds), with the result that the Net Revenue may be pledged lawfully and irrevocably for the payment of additional Parity Bonds in accordance with the terms hereof and Parity Bonds may be made payable from the Net Revenue.

(e) This Master Bond Resolution is (i) adopted pursuant to and in accordance with the applicable provisions of the Charter and the Water Activity Law and (ii) intended to govern the issuance of, and establish general provisions relating to, the Board's Parity Bonds.

Section 1.04 Master Bond Resolution and Supplemental Resolutions to Constitute a Contract; Equal Security. In consideration of the acceptance of the Parity Bonds by those who shall own the same from time to time, this Master Bond Resolution and the Supplemental Resolutions (or, collectively, the Parity Bonds Resolution), together with any related sale certificates and agreements with the Providers of any Credit Facility or Financial Products Agreements, shall be deemed to be and shall constitute a contract between the Board and the Owners of the Parity Bonds. The pledge made in the Parity Bonds Resolution by the Board, and the covenants and agreements set forth in the Parity Bonds Resolution to be performed by the Board, shall be for the equal and proportionate benefit, security and protection of all Owners of the Parity Bonds, without preference, priority or distinction as to security or otherwise of any of the Parity Bonds over any of the others by reason of time of issuance, sale or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by the Parity Bonds Resolution.

Section 1.05 Ratification. All actions heretofore taken by the Board, the officers, the employees and the members of the Board, not inconsistent with the provisions of this Master Bond Resolution, relating to the authorization, sale, issuance and delivery of the Parity Bonds, are hereby ratified, approved and confirmed.

ARTICLE II.

~~AUTHORIZATION AND ISSUANCE OF PARITY BONDS GENERALLY~~

Section 2.01 Authorization of Parity Bonds Generally. The Board may issue one or more series of Parity Bonds for any Capital Project, any Refunding Project or any combination thereof, relating to the System, in accordance with the provisions of this Master Bond Resolution.

Section 2.02 General Provisions of Parity Bonds. Each series of Parity Bonds shall be authorized by Supplemental Resolution and shall bear such designation as the Board deems appropriate. The Parity Bonds of each series shall be subject to such terms and conditions as are provided herein and by Supplemental Resolution. The Supplemental Resolution relating to each series of Parity Bonds shall (a) generally describe the Capital Project, the Refunding Project or combination thereof being provided by the proceeds of such series, (b) determine the details of such series, including but not limited to the maximum principal amount and maximum interest rates or interest costs in respect of such series, the dates, maturities and any redemption, tender and conversion provisions of such series, the method of determining interest rates on such series, the debt service reserve requirements of such series, if any, any Credit Facility or Financial

Products Agreement to be provided in respect of such series and all other necessary or desirable terms and conditions, (c) designate any Paying Agent, Registrar or other fiduciaries and agents as appropriate and (d) provide for the sale and delivery of such series.

Section 2.03 Destruction of Parity Bonds. Whenever any Outstanding- Parity Bond shall be delivered to the related Registrar for cancellation pursuant to this Master Bond Resolution and a Supplemental Resolution, and upon payment of the principal amount and interest represented thereby, or whenever any Outstanding Parity Bond shall be delivered to the Registrar for transfer pursuant to the provisions of this Master Bond Resolution and a Supplemental Resolution, such Parity Bond shall be canceled and destroyed by the Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Registrar to the Board.

Section 2.04 Lost Parity Bonds. Any Parity Bond that is lost, stolen, destroyed or mutilated may be replaced or paid by the related Registrar in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Parity Bond shall post such security or indemnity bond, 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 Registrar.

ARTICLE III. PLEDGE OF NET REVENUES; ESTABLISHMENT OF ACCOUNTS AND APPLICATION THEREOF

Section 3.01 The Pledge Effected by the Master Bond Resolution. The Parity Bonds are special and limited obligations of the Board, payable from and secured by the revenues and funds pledged therefor. The Board covenants to pay promptly the Debt Service Requirements of the Parity Bonds at the place, on the dates and in the manner specified in this Master Bond Resolution and the related Supplemental Resolution. The Debt Service Requirements of the Parity Bonds shall be payable only out of (a) the Debt Service Account, into which the Board covenants to deposit the Net Revenue in amounts sufficient to pay promptly, when due, the Debt Service Requirements of the Parity Bonds, and (b) if necessary, the related Reserve Account created in respect of a series of Parity Bonds. The Parity Bonds shall constitute an irrevocable ~~and subordinate~~ lien upon the Net Revenue, but not an exclusive ~~subordinate~~ lien, on a parity with the Parity Bonds and the Net Revenue is hereby pledged to the payment of the Parity Bonds.

The Owners of the Parity Bonds may not look to any general or other fund of the Board or the City for the payment of the Debt Service Requirements of the Parity Bonds. The Parity Bonds shall not constitute a debt or an indebtedness or multiple fiscal year debt or other financial obligation of the City within the meaning of any constitutional or statutory provision or limitation, nor shall the Parity Bonds be considered or held to be general obligations of the City.

Amounts, if any, on deposit in any Rebate Account shall not be subject to the lien and pledge of the Parity Bonds Resolution to the extent that such amounts are required to be paid to the United States of America.

Section 3.02 Establishment of Accounts. The Board hereby creates and establishes in the Water Works Fund, as a book account of the Board, the Parity Bonds Resolution Debt Service

Account (including therein the Interest Subaccount and the Principal Subaccount). Such account shall be maintained by the Board in accordance with the Parity Bonds Resolution. In respect of each series of Parity Bonds, the Board shall establish by Supplemental Resolution, any related Project Account, Reserve Account, Rebate Account and any other account as may be determined to be necessary for the issuance of the related series of Parity Bonds, including accounts that may be necessary in connection with any Credit Facility or Financial Products Agreement. Such accounts shall be maintained by the Board in accordance with the Parity Bonds Resolution, and, in the case of any Rebate Account, any related Tax Certificate.

The proceeds of each series of Parity Bonds shall be deposited to a Project Account and any other account determined to be necessary, all as provided in the related Supplemental Resolution.

Section 3.03 Project Accounts. The proceeds of Parity Bonds credited to the related Project Account created under a Supplemental Resolution shall be maintained, used and withdrawn for the purpose of paying Project Costs. If not paid from other funds of the Board, the Board shall pay as Project Costs the costs of issuance of the Parity Bonds. Any investment income earned on amounts on deposit in any Project Account shall remain in such account.

Moneys credited to any Project Account may be invested or deposited in securities or obligations that are ~~Pennitted~~Permitted Investments. Any moneys remaining in any Project Account after completion of the related Capital Project, excluding investment earnings which may be required to be rebated to the federal government as provided in the related Supplemental Resolution and the related Tax Certificate, shall be deposited in the Debt Service Account and used for the purposes of the Debt Service Account.

Section 3.04 Water Works Fund. The Board shall credit to the Water Works Fund all Gross Revenue immediately upon receipt thereof as provided in Section 10.1.7 of the Charter. There shall be paid from the Water Works Fund all Operation and Maintenance Expenses as they become due and payable. After such payment, the Net Revenue shall be applied in the following order of priority:

FIRST: There shall be credited to the Debt Service Account, concurrently on a *pari passu* basis with any payments required to be made pursuant to any Parity Credit Facility Obligations and Financial Products Payments pursuant to any Parity Financial Products Agreement, on or before the fifteenth (15th) day of each month, commencing with the month in which the initial series of the Parity Bonds are issued and delivered, the following amounts:

- (a) to the Interest Subaccount of the Debt Service Account, an amount equal to the Pro Rata Portion of the interest to come due on the Parity Bonds on the next succeeding interest payment date; and
- (b) to the Principal Subaccount of the Debt Service Account, an amount equal to the Pro Rata Portion of the principal to come due (including any mandatory sinking fund payment) on the Parity Bonds on the next succeeding principal payment date; and

(c) to any other subaccount that may be created in the Debt Service Account by Supplemental Resolution for the purpose of providing for the Debt Service Requirements of or related to any Series of Parity Bonds.

SECOND: There shall be credited to any Reserve Account created under a Supplemental Resolution, Pro Rata Portions of the amounts, if any, required by any such Supplemental Resolution to cause the amount therein to equal the Series Reserve Amount under such Supplemental Resolution (or for repayment pursuant to any insurance policy, surety bond, letter or line of credit, or similar credit facility utilized in lieu of such account).

THIRD: There shall be credited to any other fund or account hereafter established for the payment of ~~(1)~~ the Debt Service Requirements on Subordinate Lien Obligations, including any sinking fund, reserve fund or similar fund or account established therefor, in the amounts required by resolution or other enactment authorizing the issuance of the Subordinate Lien Obligations, including Subordinate Credit Facility Obligations and Subordinate Financial Products Agreements, Financial Products Termination Payments; ~~and (2) Capital Improvements Lease Payments.~~

FOURTH: After the payments and accumulations set forth in FIRST through THIRD above have been made, to the credit of any other fund or account as may be designated by the Board, to be used for any lawful purpose, including paying any Capital Improvements Lease Payments.

Section 3.05 Debt Service Account. Moneys credited to the Debt Service Account may be invested or deposited in securities or obligations that are Permitted Investments. Any investment income earned on amounts on deposit in the Debt Service Account shall remain in the Debt Service Account. The credits of Net Revenue to the Debt Service Account in the Pro Rata Portions of interest and principal required by Section 3.04 hereof may be reduced according to the amounts of investment income or other moneys credited to the Debt Service Account at the time any required credit of a Pro Rata Portion of interest or principal is to be made.

Section 3.06 Reserve Accounts. Under each Supplemental Resolution authorizing the issuance of Parity Bonds, a Reserve Account may be established and maintained in a Series Reserve Amount, which amount may be satisfied by cash, a Reserve Policy or Credit Facility or a combination of the foregoing *provided that* a Reserve Account shall not be required for any series of Parity Bonds. A Reserve Account shall be used, if necessary, only to prevent a default in the payment of the principal of or interest on the applicable series of Parity Bonds and such Reserve Account is to be pledged only to the payment of the applicable series of Parity Bonds. In the event that the amounts credited to the Debt Service Account with respect to the applicable series of Parity Bonds are insufficient to pay the Debt Service Requirements on the applicable series of Parity Bonds when due, the Board shall transfer from the Reserve Account established for the applicable series of Parity Bonds to the appropriate subaccount or subaccounts of the Debt Service Account an amount which, when combined with moneys in such subaccount or subaccounts, will be sufficient to make such payments when due.

Any Reserve Account shall be maintained in the Series Reserve Amount established under a Supplemental Resolution until such time as the amount credited thereto, when combined with moneys in the related subaccount of the Debt Service Account, will be sufficient to pay the principal of and interest on all of the Parity Bonds of the applicable series, at which time such moneys may be applied for such purpose. If at any time the amounts credited to any Reserve Account are used to pay the principal of or interest on the applicable series of the Parity Bonds, the amount so used shall be replenished from the Net Revenue as soon as possible after such use, but in accordance with and subject to the limitations of Section 3.04 hereof.

Moneys credited to any Reserve Account may be invested or deposited in securities or obligations which are Permitted Investments. All interest income from the investment or reinvestment of moneys shall first be credited to such Reserve Account. In the event that any Reserve Account is then currently funded in an amount in excess of a Series Reserve Amount, such excess amount of investment income shall be ~~deemed to be Gross Revenue and shall be credited to the Water Works Fund.~~ deposited in the appropriate subaccount or subaccounts of the Rebate Account or the Debt Service Account for such series of Parity Bonds. The amount on deposit in any Reserve Account shall never exceed the related Series Reserve Amount.

Section 3.07 Investment or Deposit of Funds. Each of the accounts created under this Master Bond Resolution and any Supplemental Resolution shall be maintained as separate book accounts and subaccounts of the Water Works Fund. Any moneys in any such account may be invested or deposited in securities or obligations that are Permitted Investments subject, however, to the covenants and provisions of any Supplemental Resolution and related Tax Certificates. The moneys in such accounts, except any Rebate Account, may be commingled with moneys or Permitted Investments in any other fund as permitted by applicable law and Board policy.

ARTICLE IV. ADDITIONAL SECURITIES

Section 4.01 No Superior Obligations. No additional bonds, notes, interim securities or other obligations shall be issued payable from the Gross Revenue or Net Revenue and having a lien thereon that is superior to the lien of the Parity Bonds.

Section 4.02 Additional Parity Bonds. After the first issuance of Parity Bonds hereunder, additional Parity Bonds may be issued by the Board for the purpose of paying Project Costs for any Capital Project or any Refunding Project or any combination thereof, provided that the following requirements have been complied with:

- (a) At the time of issuance of any Parity Bonds, the Board is not in default in making any payments required by Section 3.04 of this Master Bond Resolution and the Supplemental Resolutions.
- (b) At the time of issuance of the additional Parity Bonds, the Board is current in the accumulation of all amounts required to be then accumulated in the Debt Service Account and any Reserve Account as required by any Supplemental Resolution.
- (c) The Net Revenue for the 12-month period ending with the most recently completed calendar quarter for which financial statements are available, together with any

Other Available Funds, is sufficient to pay an amount representing not less than 120% of the Combined Average Annual Debt Service Requirements for the then Outstanding Parity Bonds, the additional Parity Bonds proposed to be issued and the Capital Improvements Lease Payments; provided that once the Parity Bonds Outstanding as of June 28, 2023, are no longer Outstanding hereunder, the Capital Improvement Lease Payments shall no longer be considered for purposes of this test. For purposes of this test, the Net Revenue may be increased if there has been adopted a schedule of increases in rates, fees, system development charges, participation fees, tap fees, availability fees, tolls and charges during or since such preceding 12-month period by adding to the actual Gross Revenue for such preceding 12-month period an estimated sum equal to 100% of the estimated increase in Gross Revenue that would have been realized during such preceding 12-month period had such increase been in effect during all of the preceding 12-month period.

(d) In the case of a Refunding Project, compliance with (c) shall not be required so long as the Debt Service Requirements on all Parity Bonds Outstanding after the issuance of such additional Parity Bonds in each Fiscal Year prior to the final maturity date of the bonds to be refunded in the Refunding Project does not exceed the Debt Service Requirements on all Parity Bonds Outstanding prior to the issuance of such additional Parity Bonds in each Fiscal Year.

A written certificate by the Chief Finance Officer or the Treasurer that the requirements of (a) through (d) above have been met shall conclusively determine the right of the Board to authorize, issue, sell and deliver additional Parity Bonds.

Section 4.03 Parity Credit Facility Obligations and Parity Financial Products Agreement; No Senior or Parity Financial Products Termination Payments. The Board may enter into Parity Credit Facility Obligations and Parity Financial Products Agreements relating to the Parity Bonds as is determined by the Board to be in the best interest of the Board and in accordance with the provisions of the Charter and the ~~constitution~~Constitution and laws of the State.

Notwithstanding any other provision of this Master Bond Resolution, no Financial Products Termination Payment required under any such Parity Financial Products Agreements shall be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

Section 4.04 Subordinate Lien Obligations. So long as no Event of Default shall have occurred and be continuing, nothing herein shall prevent the Board from issuing Subordinate Lien Obligations.

Notwithstanding any other provision of this Master Bond Resolution, no Financial Products Termination Payment required under any Subordinate Financial Products Agreement shall be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

ARTICLE V. PROTECTIVE COVENANTS

Section 5.01 Use of Proceeds. The proceeds derived from the sale of each series of Parity Bonds shall be used solely for the purposes specified in this Master Bond Resolution and the related Supplemental Resolution.

Section 5.02 Maintenance of Rates. Pursuant to Section 10.1.9 ~~of the Charter,~~ the Board is to fix rates for which water shall be furnished for all purposes within the City and rates are to be as low as good service will permit provided, however, that for water furnished to customers outside the boundaries of the City, the Board is not so limited. Rates may be sufficient to provide for (a) operation, maintenance, reserves, debt service, additions, extensions, betterments, including those reasonably required for the anticipated growth of the Denver metropolitan area, and to provide for ~~Denver's~~ Denver's general welfare and (b) the accumulation of reserves for improvements of such magnitude that they cannot be acquired from the surplus revenues of a single year.

Subject to the provisions of Section 10.1.9 of the Charter, the Board covenants that it will use its best efforts to maintain, enforce and collect rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges for services furnished by or the use of the System to create Gross Revenue, together with any Other Available Funds, each Fiscal Year sufficient to pay Operation and Maintenance Expenses and to create Net Revenue in an amount equal to not less than 110% of the amount necessary to pay when due ~~the Debt Service Requirements on the Parity Bonds and the Capital Improvements Lease Payments~~ (provided that once the Parity Bonds Outstanding as of June 28, 2023, are no longer Outstanding hereunder, the Capital Improvement Lease Payments shall no longer be considered for purposes of this section) coming due during such Fiscal Year, and to make up any deficiencies in any Reserve Account, including the payment of any unreimbursed draws under any related Reserve Policy and associated expenses and accrued interest~~-, if any, owed to any Bond Insurer.~~ In the event that the Gross Revenue at any time is not sufficient to make such payments, the Board shall increase such rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges to an extent which will allow the payments and accumulations required by the Parity Bonds Resolution.

Section 5.03 Operation and Maintenance of the System. The Board will continue to operate and manage the System in an efficient and economical manner, and make or cause to be made such improvements, enlargements, extensions, repairs and betterments thereto as may be necessary or advisable to ~~insure~~ensure the economical and efficient operation of the System at all times.

Section 5.04 Disposition of System Property. The Board will not sell or alienate any of the property constituting any part or all of the System in any manner or to any extent as might materially reduce the security provided for the payment of the Parity Bonds, but the Board may sell any portion of such property which shall have been replaced by other similar property of at least equal value, or which shall cease to be necessary for the efficient operation of the System; *provided, however,* that the proceeds realized from any such sale of ~~property~~property shall be included as part of the Gross Revenue.

Section 5.05 Sale of the System. The Board shall not sell or dispose of the System, or any part thereof, other than in the ordinary course of business, unless (a) all Parity Bonds shall

have been paid and retired, or (b) the Board shall have received an opinion of Bond Counsel to the effect that such sale shall not adversely affect the excludability of interest on the Parity Bonds that had been issued on a tax-exempt basis from gross income for federal income tax purposes.

Section 5.06 Billing and Collections. The Board will promptly render bills for services furnished by or the use of the System, shall use all legal means to assure prompt payment thereof, and to the extent permitted by law, shall discontinue service to any user who becomes delinquent in the payment of such charges until the delinquency and all interest, costs and expenses incident thereto have been paid in full or satisfactory arrangements for payments have been made.

Section 5.07 Books and Records. The Board shall keep and maintain separate accounts of the receipts and expenses of the Board in such manner that the Gross Revenue and the Net Revenue may at all times be readily and accurately determined.

Section 5.08 Audits and Budgets. At least once a year, the Board will cause an audit to be performed of the records relating to the revenues and expenditures of the System. In addition, at least once a year, the Board will cause a budget to be prepared and adopted.

Section 5.09 Insurance; Insurance Proceeds or Condemnation Awards. The Board will provide for fire and extended coverage, worker's compensation, public liability and such other forms of insurance or self-insurance on insurable System property as would ordinarily be carried by utilities or municipal corporations having similar properties of equal value, such insurance being in such amounts as will protect the System and its operation.

In the event of any loss or damage to the System, or in the event part or all of the System is taken by the exercise of a power of eminent domain, the insurance proceeds or the condemnation award shall be used for restoring, replacing or repairing ~~the property~~ lost, damaged or taken, and the remainder thereof, if any, shall be considered as Gross Revenue; provided however, that if the Board determines that the operation of the System and the security for the Parity Bonds will not be materially adversely affected thereby, the Board may determine not to restore, replace or repair the property lost, damaged or taken and all of the insurance proceeds or condemnation award shall be considered as Gross Revenue.

Section 5.10 Fidelity Bonds. Each Board official or other person having custody of any funds derived from operation of the System, or responsible for the handling of such funds, shall be fully bonded at all times.

Section 5.11 Charges and Liens Upon the System. From the Gross Revenue, the Board will pay all taxes and assessments or other municipal or governmental charges, if any, lawfully levied, assessed upon, or in respect to the System, or any part thereof, when the same shall become due, and it will duly observe and comply with all valid requirements of any municipal or governmental authority relative to any part of the System; and the Board will not create nor suffer to be created any lien or charge upon the System or upon the Gross Revenue therefrom except as permitted by this Master Bond Resolution unless it has made adequate provisions to satisfy and discharge within 60 days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the System or upon the Gross Revenue; provided however, that nothing herein shall require the Board to pay,

or to cause to be discharged, or to make provision for, any such tax, assessments, lien or charge before the time when payment thereof shall be due or so long as the validity thereof shall be contested in good faith by appropriate legal proceedings or in continuing, good faith negotiations.

ARTICLE VI. DEFEASANCE

Section 6.01 Defeasance. When all Debt Service Requirements with respect to any series of Parity Bonds have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged, and the Parity Bonds shall no longer be deemed to be Outstanding within the meaning of the Parity Bonds Resolution. There shall be deemed to be such due payment of the Parity Bonds when the Board has placed in escrow and in trust with a Commercial Bank located within or without the State, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, premium, if any, and interest as the same become due to their final maturities. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Board and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the owners thereof to assure such availability as so needed to meet such schedule. The sufficiency of the Federal Securities deposited to any escrow shall be verified by an Independent Accountant. The investment of the amounts deposited in the escrow shall comply with the applicable provisions of the related Supplemental Resolution and related Tax Certificate.

ARTICLE VII. EVENTS OF DEFAULT AND REMEDIES

Section 7.01 Events of Default. Each of the following events is hereby declared an "Event of Default" under the Parity Bonds Resolution:

(a) Payment of Debt Service Requirements on any of the Parity Bonds shall not be made when the same shall become due and payable, either at maturity, by proceedings for prior redemption or otherwise; or

(b) The Board defaults in the punctual performance of the covenants contained in the Parity Bonds Resolution for 60 days after written notice shall have been given by the Registered Owners of not less than 25% of the outstanding principal amount of the Parity Bonds then Outstanding.

Section 7.02 Remedies for Events of Default. Upon the happening of any Event of Default, any Owner of the Parity Bonds, or a trustee therefor, may proceed against the Board to protect and enforce the rights of any Owner of Parity Bonds by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, injunctive relief, or requiring the Board to act as if it were the trustee of an express trust, or any combination of such remedies. The Parity Bonds shall not be subject to acceleration upon the occurrence of an Event of Default or for any other reason and neither the Owners of the Parity Bonds nor any trustee

therefor or representative thereof shall be permitted to declare the Debt Service Requirements of the Parity Bonds to be due and payable prior to their scheduled payment dates.

All proceedings shall be maintained for the equal benefit and protection of all Owners of the Parity Bonds. The failure of any Owner to proceed does not relieve the Board or any person of any liability for failure to perform any duty hereunder. The foregoing rights are in addition to any other right, and the exercise of any right by any Owner shall not be deemed a waiver of any other right.

**ARTICLE VIII.
AMENDMENT OF MASTER BOND RESOLUTION AND SUPPLEMENTAL
RESOLUTIONS; MISCELLANEOUS**

Section 8.01 Amendment of Master Bond Resolution.

(a) The Board may, without the consent of or notice to the Owners, adopt Supplemental Resolutions, which Supplemental Resolutions shall thereafter form a part hereof, for any one or more of the following purposes:

(i) to authorize the issuance of Parity Bonds and, in connection therewith or otherwise, to specify and determine any matters and things that are not contrary to or inconsistent with this Master Bond Resolution, including without limitation, provisions with respect to Credit Facilities and Financial Products Agreements, provisions creating and applying additional funds or accounts and provisions for the marketing or remarketing of Parity Bonds;

(ii) to subject to the Parity Bonds Resolution or pledge to the payment of the Parity Bonds, additional revenues, properties or collateral;

(iii) 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; and

(iv) to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in this Master Bond Resolution or any Supplemental 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 Master Bond Resolution or any Supplemental 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 Parity Bonds.

For the purposes of Section 8.01(a)(iv), if the Rating Agencies shall confirm 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 Parity Bonds, such proposed amendment or supplement shall be deemed to "not materially adversely affect the interests of the Owners of the Parity Bonds."

(b) Except for Supplemental Resolutions adopted pursuant to paragraph (a) of this Section 8.01, the Owners of not less than 51% in aggregate principal amount of the Parity Bonds then Outstanding shall have the right, from time to time, to consent to and approve the adoption by the Board of such Supplemental Resolutions as shall be deemed necessary or desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Bond Resolution or any Supplemental Resolution.

(c) Notwithstanding the provisions of subparagraphs (a) and (b) above, no Supplemental Resolution shall permit, without the written consent of the Owner of any Outstanding Parity Bond so affected:

(i) the extension of the maturity of any Parity Bond;

(ii) the reduction of the principal amount or interest rate of any Parity Bond;

(iii) the creation of a lien upon the Net Revenue ranking prior to the lien created by the Parity Bonds Resolution;

(iv) the reduction of the principal amount of the Parity Bonds required for consent to any waiver or modifications; or

(v) the establishment of priorities between Parity Bonds.

(d) If at any time the Board shall desire to adopt a Supplemental Resolution for the purposes of subparagraph (b) above, the Board shall cause notice of the proposed adoption of such Supplemental Resolution to be given by mailing such notice by certified or registered first-class mail to each Owner of a Parity Bond to the address shown in the related Bond Register, at least 30 days prior to the proposed date of adoption of any such Supplemental Resolution. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Board or some other suitable location for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the Board following the giving of such notice, the Owners of not less than the required percentage in aggregate principal amount of the Parity Bonds then Outstanding at the time of the execution of any such Supplemental Resolution shall have consented to and approved the execution thereof as herein provided, no Owner of any Parity 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 Board from adopting the same or from taking any action pursuant to the provisions thereof.

(e) Notwithstanding any provision of this Master Bond Resolution to the contrary and except as limited as set forth below, any Bond Insurer, in respect of the series of Parity Bonds insured by such Bond Insurer shall, at the option of the Board, at all times be deemed the sole and exclusive owner of the Outstanding Parity Bonds of such series for

the purposes of all approvals, consents, related notices, including the notice set forth in subparagraph (d) above, waivers, institution of any action and the direction of all remedies pursuant to the Parity Bonds Resolution including but not limited to approval of or consent to any amendment or supplement to the Parity Bonds Resolution that requires the consent or approval of the Owners of not less than 51% in aggregate principal amount of the Parity Bonds then Outstanding. Bond Insurers shall not be deemed the sole and exclusive Owner of the Outstanding Parity Bonds, but shall have the right to consent, with respect to any amendment or supplement to the Parity Bonds Resolution that seeks to amend or supplement the Parity Bonds Resolution for the purposes set forth in Section 8.01(c)(i), (ii), (iii), (iv) or (v) hereof. Bond Insurers shall not have the right to direct or consent to Board, Paying Agent or Owner action as provided herein or approve, consent, waive, institute any action or direct remedies as described above, if:

(i) the Bond Insurer shall be in payment default under its Bond Insurance Policy;

(ii) any material provision of the related Bond Insurance Policy shall be held to be invalid by a final, non-appealable order of a court of competent jurisdiction, or the validity or enforceability thereof shall be contested by the Bond Insurer; or

(iii) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Bond Insurer under Article 16 of the Insurance Law of the State of New York or any successor provision thereto and such proceeding is not terminated for a period of 90 consecutive days or such court enters an order granting the relief sought in such proceeding.

(f) Upon the execution of any Supplemental Resolution pursuant to this Master Bond Resolution, the Parity Bonds Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Parity Bonds Resolution of the Board, the Registrar, the Paying Agent and all Owners of Parity Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

(g) The Board shall mail notice of any Supplemental Resolution to any Rating Agency then rating the Outstanding Parity Bonds.

Section 8.02 Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Parity Bonds as provided in the Parity Bonds Resolution shall be governed by Section 11-57-208 of the Supplemental Act and the Parity Bonds Resolution. The revenues pledged for the payment of the Parity Bonds, as received by or otherwise credited to the Board shall immediately be subject to the lien of each such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues pledged for payment of the Parity Bonds and the obligation to perform the contractual provisions made herein shall have priority over any or all other obligations and liabilities of the Board. 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 Board irrespective of whether such persons have notice of such liens.

Section 8.03 No Recourse Against Officers, Agents and Employees. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer, agent or employee of the Board acts in good faith, no civil recourse shall be available against such member, officer, agent or employee for payment of the principal, interest or prior redemption premiums on the Parity Bonds. Such recourse shall not be available either directly or indirectly through the Board or the public entity, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Parity Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Parity Bond specifically waives any such recourse.

Section 8.04 Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Parity Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Parity Bonds after their delivery for value.

Section 8.05 Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Parity Bonds shall be paid either from the proceeds of the related series of Parity Bonds or from legally available moneys of the Board, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 8.06 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 any Paying Agent or 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 such Paying Agent or Registrar is authorized or required by law to remain closed.

Section 8.07 Computation of Time.

(a) In computing a period of days, the first day is included and the last day is excluded.

(b) If the last day of any period is a Saturday, Sunday or legal holiday, the period is extended to include the next day which is not a Saturday, Sunday or legal holiday.

(c) If a number of months is to be computed by counting the months from a particular day, the period ends on the same numerical day in the concluding month as the day of the month from which the computation is begun, unless there are not that many days in the concluding month, in which case the period ends on the last day of that month.

Section 8.08 Parity Bonds Resolution ~~Inepeatable~~ Irrepealable. After any of the Parity Bonds have been issued, the Parity Bonds Resolution shall constitute an irrevocable contract between the Board and the Owners, and shall be and remain irrepealable until the Parity Bonds and the interest accruing thereon shall have been fully paid, satisfied and discharged as herein provided.

Section 8.09 Severability. If any section, paragraph, clause or provision of this Master 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 Master Bond Resolution, the intent being that the same are severable.

Section 8.10 Repealer. All orders, resolutions, bylaws and regulations of the Board, or parts thereof, inconsistent with this Master Bond Resolution are hereby repealed to the extent only of such inconsistency.

Section 8.11 Recording. This Master Bond Resolution, immediately -on its passage, shall be recorded in the books of resolutions of the Board kept for that purpose, shall be authenticated by the signatures of the President and Secretary.

Section 8.12 Effective Date. This amended and restated in full Master Bond Resolution shall take effect immediately upon its adoption and approval.

[Signature page follows.]

ADOPTED AND APPROVED this ~~22nd~~ 28th day of ~~March 2017~~ June, 2023

President
Board of Water Commissioners

(SEAL)

Secretary
Board of Water Commissioners

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: June 28, 2023

Board Item: II-B-2

Snow Water Supply Forecasting Grant Program

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to recommend the Board adopt a resolution supporting Denver Water's application to the United States Bureau of Reclamation's (USBR) Snow Water Supply Forecasting Grant Program. Denver Water submitted its application on May 12, 2023, and as part of the application process, we are required to submit an official resolution within 60 days of the application.

The USBR's Research and Development Office developed the Snow Water Supply Forecasting Grant Program to enhance snow monitoring and subsequent water supply forecasts. Denver Water staff recognized this grant program as an opportunity to expand upon work we have conducted since 2019 to utilize Airborne Snow Observatories (ASO) flights to measure basin-wide snowpack more accurately and to better predict streamflow runoff. Denver Water has submitted a grant application for project funds that will go towards funding ASO flights and associated iSnoBal snowpack modeling and WRF-Hydro streamflow forecasting in the Blue River Basin and Upper South Platte Basin. This accurate snowpack data is vital for annual and long-term water operations decisions, and obtaining this data will assist with efforts to improve streamflow forecasting State and region-wide. Denver Water is already conducting this work, so these funds allow us to expand on our current efforts.

Budget and Schedule:

The total amount of the grant application request is \$683,616.33. Denver Water's matching funds for this project of \$410,000 will come from the 2024 and 2025 Water Resource Strategy budgets (\$205,000 in 2024 and \$205,000 in 2025). Additional matching funds for the project include \$49,800 committed by Aurora Water and \$20,000 committed by the Colorado Water Conservation Board (CWCB).

Recommendation:

Staff recommends the Board approve the Resolution supporting Denver Water's application for the USBR's Snow Water Supply Forecasting Grant Program.

Approvals

- | | |
|---|--|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input checked="" type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input checked="" type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

Our vision is to sustain vibrant communities that value water for future generations.

Integrity :: Vision :: Passion :: Excellence :: Respect



TITLE: SNOW WATER SUPPLY FORECASTING PROGRAM

ADOPTED AND APPROVED ON JUNE 28, 2023 BY THE CITY AND COUNTY OF DENVER
ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

Craig S. Jones, Board President

James S. Lochhead, CEO/Manager

The Board of Water Commissioners finds that:

- A. The United States Department of the Interior (Department), Bureau of Reclamation's (Reclamation) Snow Water Supply Forecasting Program (Program) has made grant funds available to improve the skill of water supply forecasts via enhancing snow monitoring through the deployment of emerging technologies to complement existing monitoring techniques and networks.
- B. The Board desires to participate in this grant program to the greatest extent possible as a means of improving existing snow monitoring and streamflow forecasting systems.
- C. To improve basin-wide snow measurements, advance streamflow forecasting, and link emerging snow measurement technology with increasingly complex water management operations, the Board proposes to partner with ASO, Inc to conduct two years of ASO snow surveys in adjacent basins in Colorado—the Blue River Basin (a major tributary of the Colorado River) and the Upper South Platte Basin (headwaters of the South Platte River)—and to integrate the ASO snow data with multiple streamflow forecasting models. These two adjacent basins are the two major headwater basins of Denver Water's water collection system and are hydrologically linked through the 23-mile-long Roberts Tunnel.
- D. Any project funds awarded to the Board would go towards funding ASO surveys and associated iSnobal snowpack modeling and WRF-Hydro streamflow forecasting. This project will feed directly into the efforts of the Colorado Airborne Snow Measurement (CASM) program, which has formed to expand ASO survey access throughout Colorado.
- E. The Board has available matching funds to fulfill its share of obligation related to this grant application should the grant funds be awarded.

Adopted by the Board on June 28, 2023

Based on the foregoing findings, the Board:

1. **Support for Application.** The Board has reviewed the grant application dated May 12, 2023 and affirms the submittal on its behalf.
2. **Delegation of Authority.** Pursuant to that Resolution dated July 27, 2022 regarding Authority to Bind Denver Water, the President has the authority to sign an Intergovernmental Agreement between the Board and the United States.
3. **Funding Contributions.** The Board is capable of and commits to provide up to \$410,000 of funding to the project. The Board will also agree to be responsible for collecting matching funds from Aurora and the State.
4. **Cooperation.** Staff shall work with Reclamation to meet established deadlines for entering into a grant or cooperative agreement.
5. **Effective Date.** This Resolution shall be effective following its adoption by the Board of Water Commissioners.

Adopted by the Board on June 28, 2023