

ORDINANCE NO. 14-__

AN ORDINANCE OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE STANDBY BOND PURCHASE AGREEMENTS AMONG THE CITY OF COLORADO SPRINGS, COLORADO, WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TENDER AGENT, AND CERTAIN BANKING ORGANIZATIONS, THE FEE AGREEMENTS BETWEEN THE CITY OF COLORADO SPRINGS, COLORADO AND SUCH BANKING ORGANIZATIONS, AND THE OFFICIAL STATEMENTS FOR THE UTILITIES SYSTEM REVENUE BONDS PREVIOUSLY ISSUED BY THE CITY TO WHICH THE AGREEMENTS RELATE; RATIFYING CERTAIN ACTION HERETOFORE TAKEN.

WHEREAS, the City of Colorado Springs, Colorado (the "City") is a municipal corporation and a home rule city duly organized and existing under the laws of the State of Colorado and, in particular, under the provisions of Article XX of the Constitution of the State of Colorado and the Charter of the City (the "Charter"); and

WHEREAS, the City now owns and operates a municipal water system, electric light and power system, gas system, wastewater system and certain other systems heretofore designated by the City Council (the "Council") of the City, constituting the Utilities created by the Charter; and

WHEREAS, pursuant to Ordinance No. 04-164 (the "2004A Bond Ordinance"), the City has previously issued its City of Colorado Springs, Colorado, Variable Rate Demand Utilities System Subordinate Lien Refunding Revenue Bonds, Series 2004A (the "2004A Bonds"); and

WHEREAS, the 2004A Bonds currently bear interest at the Weekly Interest Rate (as defined in the 2004A Bond Ordinance), and pursuant to Section 1210 of the 2004A Bond Ordinance, the City has covenanted to maintain a Liquidity Facility (as defined in the 2004A Bond Ordinance) in full force and effect at any time the 2004A Bonds bear interest at a Weekly Interest Rate; and

WHEREAS, pursuant to Section 1210 of the 2004A Bond Ordinance, the City may elect to replace the Liquidity Facility for 2004A Bonds; and

WHEREAS, the City desires to obtain a Substitute Liquidity Facility (as defined in the 2004A Bond Ordinance) for the 2004A Bonds from Bank of America, N.A. (“Bank of America”); and

WHEREAS, the City will enter into a Standby Bond Purchase Agreement with Bank of America and Wells Fargo Bank, National Association, as tender agent (the “Tender Agent”) to be dated the date of its execution and delivery (the “2004A Purchase Agreement”) as a Substitute Liquidity Facility for the 2004A Bonds; and

WHEREAS, the City will additionally enter into a fee letter agreement with Bank of America to be dated the date of its execution and delivery (the “2004A Letter Agreement”), which will set forth the fees and charges payable by the City to Bank of America in connection with the 2004A Purchase Agreement; and

WHEREAS, pursuant to Section 504 of the 2004A Bond Ordinance, the execution and delivery of the 2004A Purchase Agreement will result in the mandatory tender and remarketing of the 2004A Bonds; and

WHEREAS, the City will prepare and distribute an Official Statement relating to the 2004A Bonds (the “2004A Official Statement”) to be used in connection with the remarketing of the 2004A Bonds; and

WHEREAS, pursuant to Ordinance No. 08-121 (the “2008A Bond Ordinance”), the City has previously issued its City of Colorado Springs, Colorado, Variable Rate Demand Utilities System Improvement Revenue Bonds, Series 2008A (the “2008A Bonds”); and

WHEREAS, the 2008A Bonds currently bear interest at the Weekly Interest Rate (as defined in the 2008A Bond Ordinance), and pursuant to Section 1210 of the 2008A Bond Ordinance, the City has covenanted to maintain a Liquidity Facility (as defined in the 2008A Bond Ordinance) in full force and effect at any time the 2008A Bonds bear interest at a Weekly Interest Rate; and

WHEREAS, pursuant to Section 1210 of the 2008A Bond Ordinance, the City may elect to replace the Liquidity Facility for 2008A Bonds; and

WHEREAS, the City desires to obtain a Substitute Liquidity Facility (as defined in the 2008A Bond Ordinance) for the 2008A Bonds from U.S. Bank, National Association (“U.S. Bank”); and

WHEREAS, the City will enter into a Standby Bond Purchase Agreement with U.S. Bank and the Tender Agent to be dated the date of its execution and delivery (the “2008A Purchase Agreement” and, together with the 2004A Purchase Agreement, the “Purchase Agreements”) as a Substitute Liquidity Facility for the 2008A Bonds; and

WHEREAS, the City will additionally enter into a fee letter agreement with U.S. Bank to be dated the date of its execution and delivery (the “2008A Letter Agreement” and, together with the 2004A Letter Agreement, the “Letter Agreements”), which will set forth the fees and charges payable by the City to U.S. Bank in connection with the 2008A Purchase Agreement; and

WHEREAS, pursuant to Section 504 of the 2008A Bond Ordinance, the execution and delivery of the 2008A Purchase Agreement will result in the mandatory tender and remarketing of the 2008A Bonds; and

WHEREAS, the City will prepare and distribute an Official Statement relating to the 2008A Bonds (the “2008A Official Statement” and, together with the 2004A Official Statement, the “Official Statements”) to be used in connection with the remarketing of the 2008A Bonds; and

WHEREAS, the Council has determined that the public interest and necessity require the City to enter into the Purchase Agreements and the Letter Agreements; and

WHEREAS, there have been presented to the Council the proposed forms of the Purchase Agreements, the Letter Agreements and the Official Statements.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. Ratification and Approval of Prior Actions. The Counsel hereby ratifies, approves and confirms all action heretofore taken (not inconsistent with the provisions of this ordinance) with respect to obtaining a Substitute Liquidity Facility under the 2004A Ordinance in

the form of the 2004A Purchase Agreement and obtaining a Substitute Liquidity Facility under the 2008A Ordinance in the form of the 2008A Purchase Agreement.

Section 2. Approval of the Purchase Agreements and the Letter Agreements. The forms, terms and provisions of the Purchase Agreements and the Letter Agreements are hereby approved. The City shall enter into the Purchase Agreements and the Letter Agreements in the form presented to the Council at this meeting, in each case with only such changes therein, if any, as are not inconsistent herewith. The Mayor, the Chair of the Board of Directors for the Utilities, the Chief Executive Officer of the Utilities, and the City Clerk or any Deputy City Clerk are hereby authorized and directed to execute and deliver the Purchase Agreements and the Letter Agreements.

Section 3. Substitute Liquidity Facilities. The officers and employees of the City and the Utilities of the City be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this ordinance, including all action necessary to institute the 2004A Purchase Agreement as a Substitute Liquidity Facility under the 2004A Ordinance and to institute the 2008A Purchase Agreement as a Substitute Liquidity Facility under the 2008A Ordinance.

Section 4. Official Statements. The preparation, electronic posting and distribution of the Official Statements in substantially the form presented to the Council at this meeting is hereby authorized. The Chief Executive Officer of the Utilities and the Chief Planning and Finance Officer of the Utilities are hereby authorized to approve, on behalf of the City, the Official Statements. The execution of the Official Statements by such persons shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 5. Repealer. All bylaws, orders, resolutions and ordinances of the City, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any other such bylaw, order, resolution or ordinance of the City, or part thereof, heretofore repealed.

Section 6. Severability. If any section, subsection, paragraph, clause or other provision of this ordinance for any reason is invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this ordinance.

Section 7. Effective Date and Publication. This ordinance upon passage shall be entered upon the journal of the Council's proceedings, shall be kept in the book marked "Ordinance Record" and authenticated as required by the Charter shall be published twice in a legal newspaper of general circulation in the City in compliance with the requirements of the Charter with the first publication to be at least ten (10) days before final adoption of this ordinance, and the second publication to be any time after its final adoption. The Council hereby determines that it is appropriate that publication of this ordinance by title with a summary written by the City Clerk, together with a statement that this ordinance is available for public inspection and acquisition in the office of the City Clerk, shall be sufficient publication pursuant to Section 3-80 of the Charter and this ordinance shall be so published. This ordinance shall be in full force and effective five (5) days after its final publication.

INTRODUCED, PASSED ON FIRST READING, APPROVED AND ORDERED
PUBLISHED BY TITLE AND SUMMARY this 8th day of July, 2014.

Keith King, Council President

Steve Bach, Mayor

ATTEST:

City Clerk

INTRODUCED, PASSED ON SECOND READING, APPROVED AND ORDERED
PUBLISHED BY TITLE AND SUMMARY this 22nd day of July, 2014.

Keith King, Council President

Steve Bach, Mayor

ATTEST:

City Clerk

EXHIBIT A

(Attach Affidavit of Publication, by Title and Summary, of Ordinance No. 14-___
after First Reading)

EXHIBIT B

(Attach Affidavit of Publication, by Title and Summary, of Ordinance No. 14-___
after Second Reading)