

ORDINANCE NO. 19-52

AN ORDINANCE OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE STANDBY BOND PURCHASE AGREEMENT AMONG THE CITY OF COLORADO SPRINGS, COLORADO, WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TENDER AGENT, AND BANK OF AMERICA, N.A., THE FEE AGREEMENT BETWEEN THE CITY OF COLORADO SPRINGS, COLORADO AND SUCH BANKING ORGANIZATION, AND THE OFFICIAL STATEMENT FOR THE UTILITIES SYSTEM REVENUE BONDS PREVIOUSLY ISSUED BY THE CITY TO WHICH THE AGREEMENT RELATES; 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. 05-111 (the "2005A Bond Ordinance"), the City has previously issued its City of Colorado Springs, Colorado, Variable Rate Demand Utilities System Refunding Revenue Bonds, Series 2005A (the "2005A Bonds"); and

WHEREAS, the 2005A Bonds currently bear interest at the Weekly Interest Rate (as defined in the 2005A Bond Ordinance), and pursuant to Section 1210 of the 2005A Bond Ordinance, the City has covenanted to maintain a Liquidity Facility (as defined in the 2005A Bond Ordinance) in full force and effect at any time the 2005A Bonds bear interest at a Weekly Interest Rate; and

WHEREAS, pursuant to Section 1210 of the 2005A Bond Ordinance, the City may elect to substitute the Liquidity Facility for 2005A Bonds; and

WHEREAS, the City desires to obtain a Substitute Liquidity Facility (as defined in the 2005A Bond Ordinance) for the 2005A Bonds from Bank of America, N.A. ("BOFA"); and

WHEREAS, the City, for and on behalf of Colorado Springs Utilities, an enterprise of the City, will enter into a Standby Bond Purchase Agreement with BOFA to be dated as of September 1, 2019 (the "Liquidity Facility Agreement") as a Substitute Liquidity Facility for the 2005A Bonds; and

WHEREAS, the City will additionally enter into a fee agreement with BOFA to be dated the date of its execution and delivery (the "Fee Agreement"), which will set forth the fees, expenses, and charges payable by the City to BOFA in connection with the Liquidity Facility Agreement; and

WHEREAS, pursuant to Section 504 of the 2005A Bond Ordinance, the execution and delivery of the Liquidity Facility Agreement will result in the mandatory tender and remarketing of the 2005A Bonds; and

WHEREAS, the City has prepared and will distribute an Official Statement relating to the 2005A Bonds (the "Official Statement") to be used in connection with the remarketing of the 2005A Bonds; and

WHEREAS, the Council has determined that the public interest and necessity require the City to enter into the Liquidity Facility Agreement and the Fee Agreement; and

WHEREAS, there have been presented to the Council the proposed forms of the Liquidity Facility Agreement, the Fee Agreement, and the Official Statement.

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

Section 1. Ratification and Approval of Prior Actions. The Council 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 2005A Ordinance in the form of the Liquidity Facility Agreement.

Section 2. Approval of the Liquidity Facility Agreement and the Fee Agreement. The forms, terms and provisions of the Liquidity Facility Agreement and the Fee Agreement are hereby approved. The City shall enter into the Liquidity Facility Agreement and the Fee Agreement in the forms presented to the Council at this meeting, in each case with only such changes therein, if any, as are not inconsistent herewith, the approval of such changes to be conclusively evidenced by such the City's execution and delivery thereof. The Chief Executive Officer of the Utilities and the Chief Planning and Finance Officer of the Utilities are each hereby authorized and directed to execute and deliver the Liquidity Facility Agreement and the Fee Agreement.

Section 3. Substitute Liquidity Facilities. The officers and employees of the City and the Utilities of the City are hereby authorized and directed to take all action necessary and appropriate to effectuate the provisions of this ordinance, including, without limitation, all action necessary to institute and perform the Liquidity Facility Agreement as a Substitute Liquidity Facility under the 2005A Ordinance.

Section 4. Official Statement. The preparation, electronic posting and distribution of the Official Statement 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 each hereby authorized to approve, on behalf of the City, the Official Statement. The execution of the Official Statement 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 passage by Council 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, READ, PASSED ON FIRST READING, APPROVED AND ORDERED PUBLISHED BY TITLE AND SUMMARY THIS 23rd DAY OF JULY, 2019.

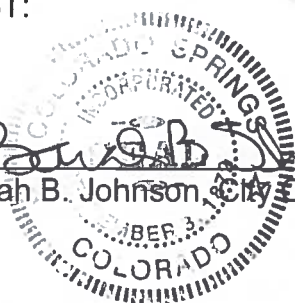
FINALLY PASSED: August 13th, 2019

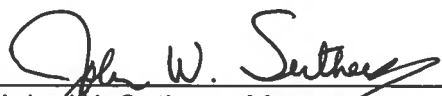


Council President

ATTEST:

By: 
Sarah B. Johnson, City Clerk



By: 
John W. Suthers, Mayor

TJF

(Attach Affidavit of Publication, by Title and Summary,
of Ordinance No. 19-52 upon First Reading)

Proof of Publication

THE TRANSCRIPT
Colorado Springs, Colorado

STATE OF COLORADO, } ss.
COUNTY OF EL PASO }

I, Amy Sweet, Publisher and Executive Editor, or the undersigned Authorized Agent of the Publisher and Executive Editor, do solemnly swear that I am the Publisher and Executive Editor, or Authorized Agent of the Publisher and Executive Editor of The Transcript; that the same is a tri-weekly newspaper and published in the County of El Paso, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

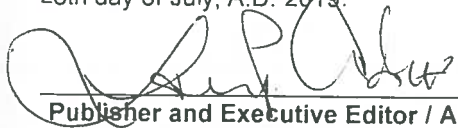
That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

26, JULY, A.D. 2019.

And that the last publication of said notice was in the issue of said newspaper dated:

26, JULY, A.D. 2019.

In witness whereof, I have hereunto set my hand this 26th day of July, A.D. 2019.

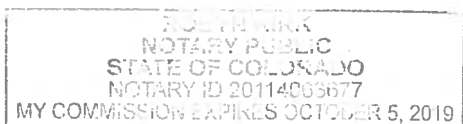


Publisher and Executive Editor / Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 26th day of July, A.D. 2019.



Notary Public



ORDINANCE NO. 19-52

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

The above entitled ordinance was introduced, read, and passed on first reading at a regular meeting of the City Council held on July 23rd, 2019. The ordinance is available for public inspection and acquisition at the office of the City Clerk, 30 South Nevada Avenue, Colorado Springs, Colorado 80903

The following is a summary of the above named Ordinance:

The City requests approval to replace the Standby Bond Purchase Agreement ("SBPA") for the 2005A Bonds, currently with Mizuho Bank, Ltd. The new SBPA will be with the Bank of America, N.A. for a five-year term. With this replacement, the City will maintain diversity in the liquidity provider portfolio with a decrease in annual costs.

Sarah B. Johnson
City Clerk

Publication Date: July 26, 2019
Published in The Transcript
DT35892

(Attach Affidavit of Publication, by Title and Summary,
of Ordinance No. 19-52 upon Second Reading)

Proof of Publication

14.56

THE TRANSCRIPT
Colorado Springs, Colorado

STATE OF COLORADO, } ss.
COUNTY OF EL PASO }

I, Amy Sweet, Publisher and Executive Editor, or the undersigned Authorized Agent of the Publisher and Executive Editor, do solemnly swear that I am the Publisher and Executive Editor, or Authorized Agent of the Publisher and Executive Editor of The Transcript; that the same is a tri-weekly newspaper and published in the County of El Paso, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

21, AUGUST, A.D. 2019.

And that the last publication of said notice was in the issue of said newspaper dated:

21, AUGUST, A.D. 2019.

In witness whereof, I have hereunto set my hand this 21st day of August, A.D. 2019.

Amy Sweet

Publisher and Executive Editor / Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 21st day of August, A.D. 2019.

Rouven Keik

Notary Public

ORDINANCE NO. 19-52
AN ORDINANCE OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE STANDBY BOND PURCHASE AGREEMENT AMONG THE CITY OF COLORADO SPRINGS, COLORADO, WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TENDER AGENT, AND BANK OF AMERICA, N.A., THE FEE AGREEMENT BETWEEN THE CITY OF COLORADO SPRINGS, COLORADO AND SUCH BANKING ORGANIZATION, AND THE OFFICIAL STATEMENT FOR THE UTILITIES SYSTEM REVENUE BONDS PREVIOUSLY ISSUED BY THE CITY TO WHICH THE AGREEMENT RELATES; RATIFYING CERTAIN ACTION HERETOFORE TAKEN

The above entitled ordinance was finally passed, adopted, and approved on second reading at a regular meeting of the City Council held on August 13th, 2019. The ordinance is available for public inspection and acquisition at the office of the City Clerk, 30 South Nevada Avenue, Colorado Springs, Colorado 80903.

The following is a summary of the above named Ordinance:
The City requests approval to replace the Standby Bond Purchase Agreement ("SBPA") for the 2005A Bonds, currently with Mizuho Bank, Ltd. The new SBPA will be with the Bank of America, N.A. for a five-year term. With this replacement, the City will maintain diversity in the liquidity provider portfolio with a decrease in annual costs.


Sarah B. Johnson
City Clerk
Publication Date: August 21, 2019
Published in The Transcript
DT36001

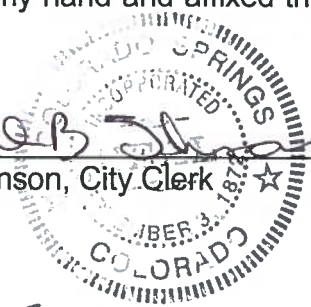


I HEREBY CERTIFY, that the foregoing ordinance entitled “AN ORDINANCE OF THE CITY OF COLORADO SPRINGS, COLORADO APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE STANDBY BOND PURCHASE AGREEMENT AMONG THE CITY OF COLORADO SPRINGS, COLORADO, WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TENDER AGENT, AND BANK OF AMERICA, N.A., THE FEE AGREEMENT BETWEEN THE CITY OF COLORADO SPRINGS, COLORADO AND SUCH BANKING ORGANIZATION, AND THE OFFICIAL STATEMENT FOR THE UTILITIES SYSTEM REVENUE BONDS PREVIOUSLY ISSUED BY THE CITY TO WHICH THE AGREEMENT RELATES; RATIFYING CERTAIN ACTION HERETOFORE TAKEN”

was introduced and read at a regular meeting of the City Council of the City of Colorado Springs, held on July 23rd, 2019; that said ordinance was finally passed at a regular meeting of the City Council of said City, held on the 13th day of August, 2019, and that the same was published by title and summary, in accordance with Section 3-80 of Article III of the Charter, in the Transcript, a newspaper published and in general circulation in said City, at least ten days before its passage.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this 15th day of August, 2019.


Sarah B. Johnson, City Clerk



1st Publication Date: July 26th, 2019
2nd Publication Date: August 21st, 2019
Effective Date: August 26th, 2019

Initial: SBJ
City Clerk

**FEE AGREEMENT
DATED SEPTEMBER 13, 2019**

Reference is made to the Standby Bond Purchase Agreement dated as of September 1, 2019 (as amended, supplemented, modified or restated from time to time, the "Agreement"), among the CITY OF COLORADO SPRINGS, COLORADO (the "Issuer"), for and on behalf of Colorado Springs Utilities, an enterprise of the City, WELLS FARGO BANK, NATIONAL ASSOCIATION, (the "Tender Agent" or the "Paying Agent" as the context may require) as Tender Agent and Paying Agent, and BANK OF AMERICA, N.A. (the "Bank"), relating to the Issuer's \$80,295,000 aggregate principal amount outstanding of Variable Rate Demand Utilities System Subordinate Lien Improvement Revenue Bonds, Series 2005A (the "Bonds"). Capitalized terms not otherwise defined herein have the meanings set forth in the Agreement.

The purpose of this Fee Agreement is to confirm the agreement between the Bank and the Issuer with respect to, among other things, the Facility Fees (as defined below) and certain other fees and expenses payable by the Issuer to the Bank pursuant to the Agreement. This Fee Agreement is the Fee Agreement referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement. This Fee Agreement and the Agreement are to be construed as one agreement between the Issuer and the Bank, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Agreement.

ARTICLE I. FEES.

Section 1.1. Facility Fees. The Issuer hereby agrees to pay or cause to be paid to the Bank on October 1, 2019, for the period commencing on the Effective Date and ending on September 30, 2019, and in arrears on the first Business Day of each January, April, July and October occurring thereafter to the last day of the Purchase Period, and on the last day of the Purchase Period, for each day in the related fee period, a non-refundable facility fee (the "Facility Fees") in an amount equal to the product of the applicable rate per annum associated with the Rating (as defined below) as specified in the applicable Level in the pricing matrix below for each such day in the related fee period (the "Facility Fee Rate") and the Available Commitment (calculated at all times as though no Bonds had been purchased by the Bank under the Agreement) for each such day in the related fee period.

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	FACILITY FEE RATE
Level 1	Aa2 or above	AA or above	AA or above	0.33%
Level 2	Aa3	AA-	AA-	0.43%
Level 3	A1	A+	A+	0.53%
Level 4	A2	A	A	0.63%
Level 5	A3	A-	A-	0.73%
Level 6	Baa1	BBB+	BBB+	0.83%
Level 7	Baa2	BBB	BBB	0.93%

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	FACILITY FEE RATE
Level 8	Baa3 or below	BBB- or below	BBB- or below	1.03%

The term "*Rating*" as used above shall mean the lowest long-term unenhanced debt ratings assigned by any of Moody's, S&P or Fitch to the Bonds or any other Parity Debt of the Issuer (in each case without regard to any form of credit enhancement). For the avoidance of doubt, in the event of a split in the ratings assigned to the Bonds or any other Parity Debt (i.e., one or more of the Rating Agency's Ratings on the Bonds or any other Parity Debt is at a different level than the Rating of either of the other Rating Agencies), the Facility Fee Rate shall be based upon the Level in which the lowest Rating appears (for the avoidance of doubt, Level 8 is the lowest Level, and Level 1 is the highest Level for purposes of the above pricing grid). References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system or the adoption of a "global" rating scale by any such Rating Agency, the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system or, in the event of adoption of a "global" rating scale by any Rating Agency, the recalibrated or realigned rating category under such "global" rating scale, which most closely approximates the applicable rating category as currently in effect. The Issuer acknowledges that as of the Effective Date the Facility Fee Rate is that specified above for Level 1. In the event that any relevant Rating is suspended, withdrawn or otherwise unavailable from any Moody's, S&P or Fitch (but excluding any suspension, withdrawal or other unavailability of any such rating to the extent that the applicable Rating Agency stipulates in writing that such action occurred for non-credit related reasons) or upon the occurrence and during the continuance of any Event of Default or if any such rating falls to or below "A3" (or its equivalent) by Moody's or "A-" (or its equivalent) by S&P or Fitch, in each such case, the Facility Fee Rate shall, immediately and automatically and without notice to the Issuer, increase by 1.50% per annum above the Facility Fee Rate otherwise in effect. Any change in the Facility Fee Rate resulting from a reduction, withdrawal, suspension or unavailability of a relevant rating shall be and become effective as of and on the date of the announcement of the change, reduction, withdrawal, suspension or unavailability of such rating (but excluding any change, suspension, withdrawal or other unavailability of any such rating to the extent that the applicable Rating Agency stipulates in writing that such action occurred for non-credit related reasons). For purposes of this Section 1.1 only, the Available Commitment shall be deemed not to be reduced during any period for which the Bank's obligation to purchase Eligible Bonds has been suspended pursuant to the Agreement.

The Facility Fees shall be payable by the Issuer quarterly in arrears, as specified above, together with interest on the Facility Fees from the date payment is due until payment in full at the Default Rate, such interest to be payable on demand. The Facility Fees and interest thereon, if any, shall be payable by the Issuer in immediately available funds and computed on the basis of a 360-day year and the actual number of days elapsed.

Section 1.2. Purchase Fees. The Issuer hereby agrees to pay to the Bank a non-refundable purchase fee of \$250 for each purchase of Eligible Bonds made pursuant to the Agreement, payable without any requirement of notice or demand by the Bank on the date such purchase is made.

Section 1.3. Amendment, Waiver, Transfer Fee and Other Fees and Expenses. The Issuer agrees to pay to the Bank on the date of (i) each amendment, supplement, or modification to the Agreement (or with respect to any Related Document, the amendment, supplement or modification of which requires the consent of or a waiver from the Bank), or execution of any standard waiver or consent, and (ii) any transfer of the rights and obligations of any party to the Agreement (including, without limitation, the appointment of a successor Tender Agent under the Ordinance and the Tender Agreement) a non-refundable fee equal to \$2,500 (the "Amendment Fee"), or such other fee as may be agreed to between the Issuer and the Bank, plus, in each case, the reasonable fees and expenses of counsel to the Bank.

Section 1.4. Payments Due Upon Termination of the Agreement. (a) Notwithstanding anything set forth herein or in the Agreement to the contrary, the Issuer agrees not to terminate or replace, or cause the termination or replacement of, the Agreement and/or the Available Commitment prior to the two-year anniversary of the Effective Date, except upon (i) the payment by the Issuer to the Bank of a termination fee (the "Termination Fee"), in an amount equal to the product of (1) the Facility Fee Rate in effect on the date of such termination or replacement, (2) the Available Commitment (without regard to any reductions thereof, including without limitation, any purchase of Bonds under the Agreement that may be reinstated pursuant to the terms of the Agreement) as of the date of such termination or replacement and (3) a fraction, the numerator of which is equal to the number of days from and including the date of such termination or replacement to and including the second anniversary of the Effective Date and the denominator of which is 360 and (ii) compliance with the provisions of Section 2.11 of the Agreement. Notwithstanding the foregoing, no such Termination Fee shall be payable by the Issuer to the Bank in the event that Issuer requests in writing that the Agreement and/or the Available Commitment be terminated or replaced as the result of: (a) the Bank's senior unsecured short-term debt ratings having been reduced by any Rating Agency below "A-1" by S&P, "F1" by Fitch or "P-1" by Moody's (provided, that for the avoidance of doubt, the ratings referenced in this clause (a) shall mean those ratings assigned to Bank of America, N.A. and not ratings assigned to Bank of America N.A.'s parent or holding company or any other affiliate of the Bank) or (b) the Bank seeking the payment from the Issuer of increased costs pursuant to Section 2.13 of the Agreement; *provided, however*, that all amounts payable hereunder and under the Agreement, including, without limitation, all principal and interest evidenced by Bank Bonds, shall be paid to the Bank at or prior to the time of termination. No termination of the Agreement and/or the Available Commitment shall become effective unless all amounts payable by the Issuer to the Bank pursuant to this Section 1.4(a) have been paid in full.

(b) Notwithstanding anything set forth herein or in the Agreement to the contrary, the Issuer agrees not to permanently reduce (excluding solely any scheduled mandatory sinking fund redemptions of the Bonds pursuant to the Ordinance in effect on the Effective Date) the Available Commitment below the Available Commitment (without regard to any reductions thereof, including without limitation, any purchase of Bonds under the Agreement that may be

reinstated pursuant to the terms of the Agreement) as of the Effective Date prior to the two-year anniversary of the Effective Date, without the payment by the Issuer to the Bank of a reduction fee (the "*Reduction Fee*") in connection with each and every permanent reduction of the Available Commitment in an amount equal to the product of (A) the Facility Fee Rate in effect on the date of such permanent reduction, (B) the difference between the Available Commitment (without regard to any reductions thereof, including without limitation, any purchase of Bonds under the Agreement that may be reinstated pursuant to the terms of the Agreement) prior to such permanent reduction and the Available Commitment (without regard to any reductions thereof, including without limitation, any purchase of Bonds under the Agreement that may be reinstated pursuant to the terms of the Agreement) after such permanent reduction and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including the second anniversary of the Effective Date, and the denominator of which is 360. Notwithstanding the foregoing, no such Reduction Fee shall be payable by the Issuer to the Bank in the event that Issuer requests in writing that the Available Commitment be reduced as the result of: (a) the Bank's senior unsecured short-term debt ratings having been reduced by any Rating Agency below "A-1" by S&P, "F1" by Fitch or "P-1" by Moody's (provided, that for the avoidance of doubt, the ratings referenced in this clause (a) shall mean those ratings assigned to Bank of America, N.A. and not ratings assigned to Bank of America N.A.'s parent or holding company or any other affiliate of the Bank) or (b) the Bank seeking the payment from the Issuer of increased costs pursuant to Section 2.13 of the Agreement; *provided, however*, that all amounts payable hereunder and under the Agreement shall be paid to the Bank at or prior to the time of reduction. No reduction of the Available Commitment shall become effective unless all amounts payable by the Issuer to the Bank pursuant to this Section 1.4(b) have been paid in full.

(c) In connection with any termination or reduction, the Issuer shall provide the Bank and the Tender Agent with thirty (30) days' prior written notice thereof.

Section 1.5. Bond Transfer Fees. The Issuer agrees to pay to the Bank, on each Purchase Date or Sale Date, as applicable, an amount equal to any charge imposed on the Bank pursuant to the Ordinance, or by the Paying Agent or the Tender Agent, in connection with the transfer or exchange of Bonds. The Paying Agent or the Tender Agent, as applicable, agrees to give the Bank and the Issuer timely written notice of each such charge, including the amount thereof.

ARTICLE II. MISCELLANEOUS.

Section 2.1. Out-of-Pocket Expenses; Administration. (a) The Issuer shall pay to the Bank promptly upon receipt of invoice any and all reasonable fees and expenses of the Bank (in an amount not to exceed \$45,000), all payable in accordance with this Fee Agreement in connection with the Agreement and the Related Documents. The reasonable fees shall be paid directly to Chapman and Cutler LLP in accordance with the instructions provided by Chapman and Cutler LLP.

(b) The Issuer further agrees to pay all of the Bank's out-of-pocket expenses (including, without limitation, reasonable fees and disbursements of counsel for the Bank) arising in connection with the administration and enforcement of, preservation of rights in connection with

a workout, restructuring or default under, or amendment or waiver with respect to, the Agreement, the Bonds and the other Related Documents.

Section 2.2. Amendments. No amendment to this Fee Agreement shall become effective without the prior written consent of the Issuer and the Bank.

Section 2.3. Governing Law. THIS FEE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE AND APPLICABLE FEDERAL LAW, WITHOUT REGARD TO CHOICE OF LAW RULES; PROVIDED, HOWEVER, THE OBLIGATIONS OF THE BANK HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW, WITHOUT REGARD TO CHOICE OF LAW RULE.

Section 2.4. Counterparts. This Fee Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument; and any of the parties hereto may execute this Fee Agreement by signing such counterpart. This Fee Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

Section 2.5. Severability. Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 2.6. No Disclosure. Unless required by law, the Issuer shall not deliver or permit, authorize or consent to the delivery of this Fee Agreement to the Remarketing Agent or any other Person for delivery to the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent.

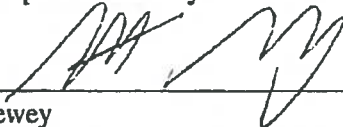
Section 2.7. Confidentiality. The Issuer shall not disclose, directly or indirectly, this Fee Agreement or any of its terms to any other Person except (a) to officers, directors, employees, accountants, attorneys, agents and advisors of the Issuer who are directly involved in the consideration of this matter and the financial advisor to the Issuer on a confidential and need-to-know basis, (b) under compulsion of law (whether by interrogatory, subpoena, civil investigative demand or otherwise), and (c) by order of any court or governmental or regulatory body, including any request for disclosure from the State legislature or any committee thereof.

Section 2.8. Definition of Payment Instructions. For purposes of the Agreement and this Fee Agreement, "Payment Instructions" means:

Bank:	Bank of America, N.A. NY
ABA:	026009593
Attn:	BLFS&O Operations
Account:	1365840632100
Bank to Bank Instructions:	Loan Wire Account
REF:	Colorado Springs, CO - 192261

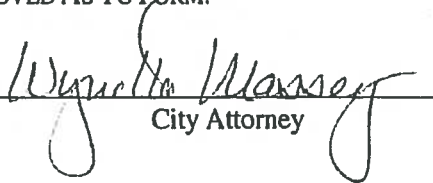
IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

CITY OF COLORADO SPRINGS, COLORADO, for
and on behalf of Colorado Springs Utilities,
an enterprise of the City



Scott Shewey
Acting Chief Planning and Finance Officer

APPROVED AS TO FORM:

By: 

City Attorney

BANK OF AMERICA, N.A.

By:  _____

Name: Brent Riley

Title: Senior Vice President