

STANDBY BOND PURCHASE AGREEMENT

among

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

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Tender Agent and Paying Agent

and

BANK OF AMERICA, N.A.

Dated as of **[September 1, 2019]**

Relating to:

[\$80,295,000]
Variable Rate Demand Utilities System
Subordinate Lien Refunding Revenue Bonds,
Series 2005A

TABLE OF CONTENTS

	PAGE
ARTICLE I	DOCUMENTS2
Section 1.01.	Specific Terms2
Section 1.02.	Incorporation of Certain Definitions by Reference14
Section 1.03.	Accounting Matters.....14
Section 1.04.	Interpretation.....14
Section 1.05.	Computation of Time Periods.....14
Section 1.06.	New York Time Presumption14
ARTICLE II	THE COMMITMENT; FEES14
Section 2.01.	Commitment To Purchase Bonds14
Section 2.02.	Method of Purchasing15
Section 2.03.	Mandatory Reductions and Termination of Available Commitment17
Section 2.04.	Sale of Bank Bonds; Reinstatement.....18
Section 2.05.	Rights of Bank Bondholders.....19
Section 2.06.	Fees, Expenses and Interest Component.....20
Section 2.07.	Method of Payment; Credit.....20
Section 2.08.	Computation of Interest and Fees21
Section 2.09.	Payment Due on Non-Business Day to Be Made on Next Business Day.....21
Section 2.10.	Late Payments.....21
Section 2.11.	Termination by the Issuer21
Section 2.12.	Term of the Agreement.....22
Section 2.13.	Yield Equivalency.....22
Section 2.14.	Taxes23
Section 2.15.	Issuer’s Special, Limited Obligation.....24
ARTICLE III.	THE PURCHASED BOND RATE24
Section 3.01.	Bonds to Bear Interest at Purchased Bond Rate; Other Interest Provisions.....24
Section 3.02.	Purchased Bonds Interest Payment Dates; Notification of Rate25
Section 3.03.	Term Out Funding; Mandatory Redemption of Bank Bonds26
ARTICLE IV	CONDITIONS PRECEDENT TO EFFECTIVENESS27
Section 4.01.	Conditions Precedent to Effectiveness.....27
ARTICLE V	REPRESENTATIONS AND WARRANTIES.....29
Section 5.01.	Existence and Standing.....29

Section 5.02.	Authorization and Validity	29
Section 5.03.	Enforceability.....	29
Section 5.04.	Compliance with Laws and Contracts	30
Section 5.05.	Litigation.....	30
Section 5.06.	No Event of Default	30
Section 5.07.	Bonds	31
Section 5.08.	Regulatory Approvals	31
Section 5.09.	Representations in Related Documents	31
Section 5.10.	Assignment of Bonds.....	31
Section 5.11.	Financial Statements	31
Section 5.12.	Correct Information	31
Section 5.13.	No Proposed Legal Changes.....	32
Section 5.14.	The Paying Agent, the Tender Agent and the Remarketing Agent	32
Section 5.15.	Sovereign Immunity.....	32
Section 5.16.	Security; First Lien Debt.....	32
Section 5.17.	Federal Reserve Regulations.....	33
Section 5.18.	Tax Exempt Status	33
Section 5.19.	Employee Benefit Plans	33
Section 5.20.	Solvency.....	33
Section 5.21.	Insurance	33
Section 5.22.	Environmental Matters.....	33
Section 5.23.	Reserved.....	34
Section 5.24.	Usury.....	34
Section 5.25.	Use of Proceeds.....	34
Section 5.26.	No Existing Revenues Secured Debt Subject to Acceleration	34
Section 5.27.	Sanctions Concerns and Anti-Corruption Laws	34
ARTICLE VI	COVENANTS.....	35
Section 6.01.	Covenants of the Issuer.....	35
Section 6.02.	Covenant of the Tender Agent and Paying Agent	45
ARTICLE VII	CONDITIONS PRECEDENT TO BANK'S OBLIGATION TO PURCHASE ELIGIBLE BONDS	45
Section 7.01.	Conditions Precedent to Purchase and Term Out Funding.....	45
ARTICLE VIII	EVENTS OF DEFAULT AND REMEDIES	46
Section 8.01.	Events of Default not Permitting Immediate Termination or Suspension	46
Section 8.02.	Events of Default Permitting Immediate Termination or Suspension	47
Section 8.03.	Remedies.....	48
ARTICLE IX	MISCELLANEOUS	50

Section 9.01.	Obligations Absolute	50
Section 9.02.	Liability of the Bank	51
Section 9.03.	Costs and Expenses; Indemnification	51
Section 9.04.	Notice.....	52
Section 9.05.	Successors and Assigns.....	53
Section 9.06.	Governing Law	53
Section 9.07.	No Waivers, Etc. Except in Writing	53
Section 9.08.	Counterparts.....	54
Section 9.09.	Use of Funds	54
Section 9.10.	Participations.....	54
Section 9.11.	Submission to Jurisdiction; Waiver of Jury Trial; Venue.....	54
Section 9.12.	Severability	55
Section 9.13.	Headings	55
Section 9.14.	Complete and Controlling Agreement	55
Section 9.15.	Reserved.....	55
Section 9.16.	Payments Set Aside.....	55
Section 9.17.	Survival	56
Section 9.18.	Patriot Act.....	56
Section 9.19.	Assignment to Federal Reserve	56
Section 9.20.	EMMA Postings.....	56
Section 9.21.	MSRB Rule G-34.....	57
Section 9.22.	Acknowledgement Regarding Any Supported QFCs	57
Section 9.23.	No Advisory or Fiduciary Responsibility	58

EXHIBIT A	NOTICE OF BANK PURCHASE
EXHIBIT B	FORM OF DEFAULT NOTICE
EXHIBIT C	FORM OF REQUEST FOR EXTENSION OF INITIAL COMMITMENT EXPIRATION DATE
EXHIBIT D	NOTICE REGARDING EXTENSION
EXHIBIT E	NOTICE OF TERMINATION

STANDBY BOND PURCHASE AGREEMENT

This STANDBY BOND PURCHASE AGREEMENT is dated as of [September 1, 2019], by and among the CITY OF COLORADO SPRINGS, COLORADO (the “*Issuer*”) for and on behalf of Colorado Springs Utilities, an enterprise of the Issuer, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Tender Agent under that certain Tender Agreement as hereinafter defined and as Paying Agent under that certain Paying Agent Agreement as hereinafter defined (together with any successors thereto, the “*Tender Agent*” or the “*Paying Agent*” as the context may require), and BANK OF AMERICA, N.A. (the “*Bank*”). All capitalized terms used herein and not otherwise defined shall have the meaning assigned in Section 1.01 hereof or as otherwise provided in Section 1.02 hereof.

WITNESSETH:

WHEREAS, the Issuer is a municipal corporation 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 Issuer’s Charter (the “*Charter*”); and

WHEREAS, the Issuer 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 Issuer, constituting the Utilities created by the Charter (the “*Utilities*”); and

WHEREAS, in order to refund certain outstanding bonds the Issuer has previously issued its “City of Colorado Springs, Colorado, Variable Rate Demand Utilities System Subordinate Lien Refunding Revenue Bonds, Series 2005A” in the original aggregate principal amount of \$99,570,000 (the “*Bonds*”) pursuant to Ordinance No. 05-111, adopted by the Issuer on August 23, 2005 (as amended, modified, supplemented or restated, the “*Ordinance*”) to defray in part the cost of the Project (as defined in the Ordinance); and

WHEREAS, pursuant to the Ordinance, the Bonds are subject to purchase, from time to time, at the option of the beneficial owners thereof and are required to be purchased in certain events, and in order to help assure the availability of funds for the payment of the purchase price of the Bonds, the Issuer has provided for the remarketing of such Bonds in certain cases, and to the extent such remarketing may not be successful, the Issuer wishes to provide liquidity for the purchase of the Bonds; and

WHEREAS, pursuant to Section 1209 of the Ordinance, the Issuer may elect to replace the Existing Liquidity Facility currently supporting the Bonds; and

WHEREAS, pursuant to Ordinance No. 19-__, adopted by the Issuer on _____, 2019 (the “*SBPA Substitution Ordinance*”), the Issuer has authorized replacement of the Existing Liquidity Facility with this Agreement; and

WHEREAS, the Bank is willing to purchase Eligible Bonds so tendered for purchase by the holders thereof and not remarketed, upon the terms and conditions set forth in this Agreement; and

NOW, THEREFORE, for valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Specific Terms. The following terms shall have the meanings indicated below or in the referenced Section of this Agreement or other documents cited therein, unless the context shall clearly indicate otherwise:

“*Accrued Interest*” means that portion of the Purchase Price paid by the Bank for Eligible Bonds equal to accrued but unpaid interest on such Eligible Bonds.

“*Affiliate*” means, with respect to a Person, any Person (whether for-profit or not-for-profit) which controls, or is controlled by, or is under common control with such Person. For purposes of this definition, a Person “controls” another Person when the first Person possesses or exercises directly, or indirectly through one or more other Affiliates or related entities, the power to direct the management and policies of the other Person, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract, or otherwise; *provided* that the Issuer shall not be considered “controlled” by any other Person.

“*Agreement*” means this Standby Bond Purchase Agreement, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof.

“*Assignees*” has the meaning assigned to such term in Section 9.05(a) hereof.

“*Authorized Denominations*” has the meaning assigned to such term in the Ordinance.

“*Authorized Officer*” means the Utilities Chief Executive Officer or the Utilities Chief Planning and Finance Officer.

“*Available Commitment*” as of any day means the sum of the Available Principal Commitment and the Available Interest Commitment as of such day.

“*Available Interest Commitment*” initially means \$[923,943], representing 35 days’ interest on the Available Principal Commitment based upon an assumed per annum rate of interest equal to 12.00% (based on the actual days elapsed in a year of 365 days) as such amount shall be adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such amount as the amount of any reduction in the Available Principal Commitment, in accordance with clause (a) or (b) of the definition of Available Principal Commitment, bears to the initial Available Principal Commitment and (b) upward by an amount

that bears the same proportion to such initial amount as the amount of any increase in the Available Principal Commitment, in accordance with clause (c) of the definition herein of Available Principal Commitment, bears to the initial Available Principal Commitment; *provided* that after giving effect to such adjustment the Available Interest Commitment shall never exceed \$[923,943]. Any adjustment pursuant to clause (a) or (b) above shall occur simultaneously with the event requiring such adjustment.

“*Available Principal Commitment*” initially means \$[80,295,000] and, thereafter, shall mean such initial amount adjusted from time to time as follows:

(a) upon any mandatory reduction in the Available Principal Commitment pursuant to Section 2.03 hereof, downward by the amount of such reduction;

(b) downward by the principal amount of any Eligible Bonds purchased by the Bank pursuant to Section 2.01 hereof; and

(c) upward by the principal amount of any Eligible Bonds theretofore purchased by the Bank pursuant to Section 2.01 hereof, which a Bank Bondholder elects to retain pursuant to Section 2.04(c) hereof or that are sold or deemed sold by a Bank Bondholder pursuant to Section 2.04(c) hereof (regardless of the Purchase Price received for such Bonds); *provided* that after giving effect to such adjustment the Available Principal Commitment shall never exceed \$[80,295,000].

Any adjustment to the Available Principal Commitment pursuant to clause (a), (b) or (c) above shall occur simultaneously with the occurrence of the events described in such clause.

“*Bank*” has the meaning assigned to such term in the introductory paragraph to this Agreement, together with any successors and assigns.

“*Bank Agreements*” means each Standby Bond Purchase Agreement among the Issuer, the Tender Agent, the Paying Agent and the Bank, which provides liquidity support for any bonds of the Issuer.

“*Bank Bond*” means each Bond purchased by the Bank pursuant to Section 2.01 hereof and held by or for the account of the Bank or a subsequent Bank Bondholder in accordance with the terms of this Agreement, until purchased or retained in accordance with Section 2.04(c) hereof or redeemed in accordance with Section 3.02 hereof or otherwise paid in full.

“*Bank Bond CUSIP Number*” means [_____].

“*Bank Bondholder*” means the Bank (in its capacity as owner (which shall include beneficial owner if the Bonds are Book-Entry Bonds) of Bank Bonds pursuant to this Agreement) and any Assignee and other Person to whom the Bank has sold Bank Bonds or beneficial interests therein.

“*Bank Bond Interest Payment Date*” has the meaning assigned to such term in Section 3.02(a) hereof.

“*Bank Rate*” means for each period specified below, beginning with and including the date funds are advanced hereunder and ending on, but excluding, the date they are repaid in full with interest thereon as provided herein, the per annum interest rate applicable for each day specified with respect to such period which interest rates shall be computed on the basis of the actual number of days elapsed and a 365 day year:

	PERIOD	RATE
I.	From and including the related Purchase Date to and including the earlier to occur of (i) the 90th day thereafter and (ii) the last day of the Purchase Period	Base Rate
II.	From and including the 91st day after the related Purchase Date to the last day of the Purchase Period	Base Rate + 1.0%

Notwithstanding the foregoing, (i) from and after the earlier of (A) the date amounts are owed hereunder, but only so long as not paid when due, and (B) during the occurrence and continuance of an Event of Default, all amounts owed hereunder and under the Fee Agreement shall bear interest at the Default Rate, (ii) subject to Section 3.01(c) hereof, at no time shall the Bank Rate exceed the Maximum Rate and (iii) at no time shall the Bank Rate be less than the per annum interest rate applicable to Bonds that are not Bank Bonds.

“*Bankruptcy Code*” means the federal Bankruptcy Code of 1978, as it may be amended from time to time (Title 11 of the United States Code), and any successor statute thereto.

“*Base Rate*” means, for any day, the rate of interest per annum equal to the highest of (a) the Prime Rate in effect on such day *plus* 1.00%, (b) the Federal Funds Rate in effect on such day *plus* 2.00%, and (c) 7.00%. Each determination of the Base Rate by the Bank shall be conclusive and binding on the Issuer absent manifest error. The Base Rate is not intended to be the lowest rate of interest charged by the Bank in connection with the extension of credit to customers.

“*Bonds*” has the meaning assigned to such term in the third WHEREAS clause to this Agreement.

“*Book Entry Bonds*” means the Bonds so long as a book entry system with DTC is used for determining beneficial ownership of the Bonds.

“*Business Day*” means any day other than a Saturday, Sunday or a day on which banks located (a) in the city in which the Principal Corporate Trust Office of the Paying Agent is

located, (b) in the city in which the office of the Bank at which Notices of Bank Purchase hereunder are to be honored is located, (c) in the city in which the Principal Corporate Trust Office of the Tender Agent at which the Bonds may be tendered for purchase by the holders thereof is located and (d) in the city in which the principal office of the Remarketing Agent is located, are required or authorized to remain closed or on which The New York Stock Exchange is closed.

“*Change in Law*” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “*Change in Law*”, regardless of the date enacted, adopted or issued.

“*Charter*” has the meaning assigned to such term in the Ordinance.

“*Conversion Date*” means the effective date of a conversion of the rate of interest on the Bonds so that no Bond bears interest at the Covered Rate.

“*Convert*” or “*Converted*” or “*Conversion,*” as appropriate, means the conversion of the interest rate on the Bonds to a rate of interest other than the Covered Rate pursuant to the terms of the Ordinance.

“*Covered Rate*” means the Weekly Rate.

“*Debt*” of any Person means, without duplication, (i) all obligations of such Person evidenced by bonds, debentures, notes, securities or other similar instruments, (ii) all obligations of such Person for borrowed money, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) obligations of such Person as lessee under any lease of property, real or personal, that, in accordance with GAAP, would be required to be capitalized on a balance sheet of the lessee thereof, (v) obligations of such Person to reimburse or repay any bank or other Person in respect of amounts paid or advanced under a letter of credit, credit agreement, liquidity facility or other instrument, (vi) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property or obligations for the deferred purchase price of property or services (other than trade accounts payable occurring in the ordinary course of business), (vii) all Debt of others secured by a Lien on any asset of such Person whether or not such Debt is assumed by such Person, (viii) any obligation of such Person guaranteeing or in effect guaranteeing any other

Debt, whether directly or indirectly, and (ix) all obligations arising under or pursuant to any Financial Products Agreement.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means the occurrence of any event or the existence of any condition which with the giving of notice, the passage of time, or both, would constitute an Event of Default.

“Defaulted Interest” means accrued interest on the Bonds which was not paid when due under the terms of the Ordinance or any amounts accruing on amounts owed on such Bonds by reason of such amounts being not paid when due.

“Default Notice” means any notice given by the Bank pursuant to Section 8.03(d) hereof in the form of Exhibit B attached hereto.

“Default Rate” means the Base Rate from time to time in effect plus 4.00% per annum; *provided, however,* that the Default Rate shall at no time exceed the Maximum Rate.

“Default Tender” has the meaning assigned to such term in Section 8.03(d) hereof.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“Differential Interest Amount” means the excess of (a) interest which has accrued on Bank Bonds at the Bank Rate (subject to the Maximum Rate), as determined in accordance with Section 3.01(a) hereof, up to but excluding the Business Day on which such Bank Bonds are purchased from the Bank Bondholders pursuant to Section 2.04(c) hereof or on which the Bank Bondholder elects not to sell Bank Bonds pursuant to Section 2.04(c) hereof, less (b) the interest accrued on such Bonds received by the Bank Bondholders as part of the Sale Price.

“DTC” means The Depository Trust Company, and its successors and assigns.

“Effective Date” means [September __], 2019, so long as all of the conditions precedent set forth in Section 4.01 hereof have been satisfied or waived (which satisfaction or waiver shall be evidenced by the execution and delivery by the Bank and the Issuer of this Agreement as of such date).

“Eligible Bonds” means any Bonds Outstanding under and entitled to the benefits of the Ordinance which bear interest at the Covered Rate and that are tendered or deemed tendered for purchase pursuant to the Ordinance and, which, in any case, the Remarketing Agent has been unable to remarket, other than any Bond which is (a) a Bank Bond or (b) owned by or on behalf of, or is held for the account or for the benefit of, the Issuer or any Affiliate of the Issuer.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and all rules and regulations from time to time promulgated thereunder.

“Event of Default” has the meaning assigned to such term in Article VIII hereof.

“Event of Insolvency” means the occurrence of one or more of the following events:

(a) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of the Issuer;

(b) the commencement by or against the Issuer of a case or other proceeding seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement liquidation, reorganization, dissolution, composition, winding-up or other relief with respect to the Issuer or its debts under any bankruptcy, insolvency, reorganization or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for the Issuer or any substantial part of its property and, in the instance of a case or proceeding against the Issuer only, such case or proceeding (i) is not dismissed within sixty (60) days after the filing thereof or (ii) results on an order for such relief;

(c) the making by the Issuer of a general assignment for the benefit of creditors;

(d) the Issuer shall admit in writing its inability to pay its debts generally as they become due or shall become insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code;

(e) a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction is declared by, or imposed on, all indebtedness of the Issuer secured by the Net Pledged Revenues. Such imposition should be as a result of a finding or ruling of a governmental authority with jurisdiction over the Issuer; or

(f) the initiation by the Issuer of any actions to authorize any of the foregoing.

“Excess Bank Bond Interest” has the meaning assigned to such term in Section 3.01(c) hereof.

“Existing Liquidity Facility” means that certain Standby Bond Purchase Agreement dated as of September 1, 2015, among the Issuer, Wells Fargo Bank, National Association, as tender agent and paying agent, and Mizuho Bank, Ltd., acting through its New York Branch, relating to the Bonds.

“Expiration Date” means the later of (a) 5:00 p.m., New York time, on [September __, ____], or, if such day is not a Business Day, the Business Day next preceding such day, and (b) 5:00 p.m., New York time, on the last day of any extension of such date pursuant to Section 2.12(b) hereof or, if such last day is not a Business Day, the Business Day next preceding such day.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“Fee Agreement” means that certain Fee Agreement dated _____, 2019, between the Issuer and the Bank, as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof.

“Financial Products Agreement” has the meaning assigned to such term in the Ordinance.

“Financial Products Payments” means payments periodically required to be paid to a Provider by the Issuer pursuant to a Financial Products Agreement but specifically not including any termination, settlement or similar payments required to be paid upon an early termination of the Financial Products Agreement or as a result of any event of default thereunder.

“First Lien Debt” means any bonded indebtedness or other Debt of the Issuer secured by or payable from the Net Pledged Revenues on a basis that is senior to the Bonds.

“Fiscal Year” means the fiscal year of the Issuer ending on December 31 of each calendar year or such other fiscal year as may be adopted by the Issuer from time to time.

“Fitch” means Fitch, Inc., and its successors and assigns.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“GAAP” means generally accepted accounting principles in the United States as set forth in the opinions and pronouncements of the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA) and statements and pronouncements of the Governmental Accounting Standards Board (GASB), that are applicable to the circumstances as of the date of determination consistently applied to governmental entities, or as modified by the opinions, statements and pronouncements of any similar accounting body of comparable standing having authority over accounting by governmental entities.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to

government (including any supra-national bodies such as the European Union or the European Central Bank).

“Immediate Termination Event” has the meaning set forth in Section 8.02 hereof.

“Ineligible Bonds” means Bonds that are not Eligible Bonds.

“Interest Component” means the aggregate amount of the Purchase Price comprising interest on any Bond purchased by the Bank in accordance with the terms hereof.

“Interest Payment Date,” with respect to Bonds which are not Bank Bonds, has the meaning assigned to such term in the Ordinance and, with respect to Bank Bonds, means the first day of each month following the creation of a Bank Bond, including each Interest Payment Date for Bonds generally, and each other Bank Bond Interest Payment Date..

“Investment Grade” means a rating of “Baa3” (or its equivalent) or better by Moody’s and “BBB-” (or its equivalent) or better by S&P and by Fitch.

“Investment Policy” means the investment policy of the Issuer delivered to the Bank pursuant to Section 4.01(j) hereof, and each revision thereof delivered pursuant to Section 6.01(i)(vii) hereof.

“Issuer” has the meaning assigned to such term in the introductory paragraph to this Agreement, together with any successors and assigns.

“Lien” means any mortgage, pledge or lease of, security interest in or lien, charge, restriction or encumbrance on any Property of the Person involved in favor of, or which secures any obligation to, any Person other than the Issuer.

“Material adverse” or *“materially adverse”* means (a) with respect to any Person, a materially adverse effect upon such Person’s business, assets, liabilities, condition (financial or otherwise), results of operations or business prospects, and (b) with respect to any agreement or obligation, a materially adverse effect upon the binding nature, validity or enforceability of such agreement or obligation.

“Maximum Rate” means the lesser of (i) the maximum non-usurious rate of interest permitted by applicable law and (ii) 25% per annum.

“Moody’s” means Moody’s Investors Service, Inc., and its successors and assigns.

“Net Pledged Revenues” has the meaning assigned to such term in the Ordinance.

“Notice of Bank Purchase” means a notice in the form of Exhibit A attached hereto.

“*Obligations*” means the principal of and interest on Bank Bonds, fees currently owed, as of the date of determination, relating to this Agreement and the Fee Agreement and all other amounts owed by the Issuer to the Bank under this Agreement and the Fee Agreement.

“*OFAC*” has the meaning assigned to such term in Section 9.18(b) hereof.

“*Official Statement*” means the Official Statement, dated September __, 2019, relating to the Bonds.

“*Ordinance*” has the meaning assigned to such term in the third WHEREAS clause to this Agreement, as such Ordinance may be amended, modified or supplemented from time to time in accordance with its terms and the terms hereof.

“*Other Taxes*” has the meaning given in Section 2.14(b) hereof.

“*Outstanding*” when used with regard to the Bonds, has the meaning assigned to such term in the Ordinance.

“*Overdue Amount*” has the meaning assigned to such term in Section 3.01(b) hereof.

“*Parity Bonds*” has the meaning assigned to such term in the Ordinance.

“*Parity Credit Facility Obligations*” has the meaning assigned to such term in the Ordinance.

“*Parity Debt*” means Debt of the Issuer payable from and/or secured by Net Pledged Revenues and described in clauses (i), (iv), (v) and (ix) of the definition of “Debt” herein (and in the case of clause (iv) of the definition of “Debt” herein, excluding any lease, the obligation of which is subject to appropriation at the discretion of the Issuer, and in the case of obligations arising under or pursuant to any Financial Products Agreement as described in clause (ix) of the definition of “Debt” herein, only with respect to (1) Financial Products Agreements that provide interest rate support and (2) obligations that constitute Financial Products Payments that relate to obligations described in clause (i) of the definition of “Debt” herein) the payment of which is secured by a pledge of or Lien on Net Pledged Revenues senior to or on a parity with the payment of the Bonds (including Bank Bonds).

“*Parity Financial Products Agreements*” has the meaning assigned to such term in the Ordinance.

“*Participant*” means any bank or other financial institution that may purchase from the Bank a participation interest in this Agreement, any Bank Bonds and certain of the Related Documents pursuant to a participation agreement between the Bank and the Participant.

“*Paying Agent*” has the meaning assigned to such term in the introductory paragraph to this Agreement, together with any successors and assigns.

“*Paying Agent Agreement*” means the Paying Agent Agreement dated as of August 15, 2005, by and between the Issuer and the Paying Agent, as the same may be amended, modified or supplemented from time to time in accordance with its terms and the terms hereof.

“*Payment Instructions*” has the meaning assigned to such term in the Fee Agreement.

“*Person*” means an individual, a corporation, a partnership, a limited liability company, an association, a joint venture, a trust, a business trust or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

“*Prime Rate*” means on any day, the rate of interest in effect for such day as publicly announced from time to time by the Bank as its “*prime rate*.” The “*prime rate*” is a rate set by the Bank based upon various factors including the Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by the Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

“*Principal Component*” means that portion of the Purchase Price representing the unpaid principal amount of the related Eligible Bonds.

“*Principal Corporate Trust Office*” has the meaning assigned to such term in the Ordinance.

“*Property*” means any and all rights, title and interest in and in any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired.

“*Provider*” means any financial institution or insurance company which is a party to a Financial Products Agreement with the Issuer.

“*Purchase Date*” means the date any Eligible Bonds are to be purchased pursuant to the Ordinance.

“*Purchase Notice*” has the meaning assigned to such term in Section 2.04(b) hereof.

“*Purchase Period*” means the period from the Effective Date to and including the earliest of the close of business on (a) the Expiration Date, (b) the date on which no Eligible Bonds are Outstanding, (c) one (1) Business Day following the Substitution Date, (d) one (1) Business Day following the date on which the interest rate on all of the Bonds has been converted to an interest rate other than a Covered Rate, and (e) the date on which the Available Commitment and the Bank’s obligation to purchase Eligible Bonds have been terminated in their entirety pursuant to Section 2.03, Section 2.11(a) or Article VIII hereof.

“*Purchase Price*” means, with respect to any Eligible Bond as of any date, 100% of the principal amount of such Bond plus (if the Purchase Date is not an Interest Payment Date)

accrued and unpaid interest thereon to the Purchase Date; *provided, however*, if the Purchase Date for any Bond is also an Interest Payment Date for such Bond pursuant to the Ordinance, the Purchase Price for such Bond shall not include accrued but unpaid interest on such Bond; *provided further, however*, that in no event shall the Purchase Price of any Bond include Defaulted Interest accrued on such Bond or any premium owed with respect to any such Bond.

“*Purchaser*” has the meaning assigned to such term in Section 2.04(b) hereof.

“*Rating Agency*” means any nationally recognized rating agency that, at the written request of the Issuer, maintains a rating with respect to the Bonds or other Parity Bonds. As of the Effective Date, the Rating Agencies consist of Moody’s, S&P and Fitch.

“*Recipient*” means the Bank or any other recipient of any payment to be made by or on account of any obligation of the Issuer hereunder.

“*Reduction Fee*” has the meaning assigned to such term in the Fee Agreement.

“*Related Documents*” means this Agreement, the Bonds, the Ordinance, the Remarketing Agreement of the Issuer dated the date of issuance of the Bonds, the Fee Agreement, the Tender Agreement, the Paying Agent Agreement and any exhibits to any of the foregoing, as the same may be amended from time to time in accordance with their respective terms and the terms hereof.

“*Remarketing Agent*” means Wells Fargo Securities LLC, and its assigns and successors appointed as Remarketing Agent pursuant to the Ordinance.

“*Remarketing Agreement*” means the Remarketing Agreement dated as of August 15, 2005, between the Issuer and the Remarketing Agent, as the same may be amended, modified, restated or supplemented from time to time in accordance with its terms and the terms hereof.

“*Replacement Bank*” means the provider of a Substitute Liquidity Facility.

“*Revenues Secured Debt*” means any Debt secured by a pledge of and Lien on all or any portion of the Net Pledged Revenues on a basis that is senior to or on a parity with the Bonds.

“*S&P*” means S&P Global Ratings, and its successors and assigns.

“*Sale Date*” has the meaning assigned to such term in Section 2.04(b) hereof and shall not be earlier than the Business Day following the Business Day on which a Bank Bondholder receives a Purchase Notice.

“*Sale Price*” has the meaning assigned to such term in Section 2.04(b) hereof.

“*Sanction(s)*” means any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations

Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"State" means the State of Colorado.

"Substitute Liquidity Facility" has the meaning assigned to such term in the Ordinance.

"Substitution Date" means the day a Substitute Liquidity Facility shall have become effective in accordance with the Ordinance.

"Suspension Event" means the occurrence of an event which results in the suspension of the obligation of the Bank to purchase Eligible Bonds pursuant to Section 8.03(a) or 8.03(c) hereof.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *"Master Agreement"*), including any such obligations or liabilities under any Master Agreement.

"System" has the meaning assigned to such term in the Ordinance.

"Taxes" has the meaning given in Section 2.14(a) hereof.

"Tender Agent" has the meaning assigned to such term in the introductory paragraph to this Agreement, together with any successors and assigns.

"Tender Agreement" has the meaning assigned to such term in the Ordinance.

"Termination Fee" has the meaning assigned to such term in the Fee Agreement.

"Term Out Commencement Date" has the meaning set forth in Section 3.04 hereof.

"Term Out Period" has the meaning set forth in Section 3.03 hereof.

"U.S. Dollars" means the lawful currency of the United States of America.

“*Variable Rate Bonds*” has the meaning assigned to such term in the Ordinance.

“*Weekly Rate*” has the meaning assigned to the term “Weekly Interest Rate” set forth in the Ordinance.

“*written*” or “*in writing*” means any form of written communication, electronic mail or a communication by means of facsimile device.

Section 1.02. Incorporation of Certain Definitions by Reference. Each capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the Ordinance and the Bonds, as applicable, unless the context otherwise requires.

Section 1.03. Accounting Matters. All accounting terms used herein without definition shall be interpreted in accordance with generally accepted accounting principles (as modified by applicable governmental auditing and accounting standards), consistently applied, and, except as otherwise expressly provided herein, all accounting determinations required to be made pursuant to this Agreement shall be made in accordance with generally accepted accounting principles (as modified by applicable governmental auditing and accounting standards), consistently applied.

Section 1.04. Interpretation. All words used herein shall be construed to be of such gender and either singular or plural as the circumstances require. Reference to any document means such document as amended or supplemented from time to time as permitted under their respective terms and the terms hereof. Reference herein to an Article, Exhibit or Section shall constitute a reference to such Article, Exhibit or Section of or to this Agreement unless otherwise specified.

Section 1.05. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

Section 1.06. New York Time Presumption. All references herein to times of the day shall be presumed to refer to New York time, unless otherwise specified.

ARTICLE II

THE COMMITMENT; FEES

Section 2.01. Commitment to Purchase Bonds. (a) The Bank agrees, on the terms and conditions contained in this Agreement, to purchase with its own funds Eligible Bonds tendered or deemed tendered in accordance with the terms of the Ordinance from time to time during the Purchase Period at the Purchase Price, which Eligible Bonds the Remarketing Agent has been unable to remarket. No purchase or drawing shall be made for the payment of the principal of or interest on any Bonds or the purchase price of, or interest on, Ineligible Bonds. The aggregate principal amount (or portion thereof) of any Bond purchased on any Purchase Date shall be an

Authorized Denomination, and in any case the aggregate principal amount of all Bonds purchased on a Purchase Date shall not exceed the Available Principal Commitment on such date. The Interest Component of the Purchase Price, if any, on the Bonds purchased on any Purchase Date shall not exceed the lesser of (1) the Available Interest Commitment with respect to such Bonds on such date, and (2) the actual amount of interest accrued and unpaid on such Bonds, other than Defaulted Interest, to but excluding such date; *provided that* if the applicable Purchase Date is an Interest Payment Date the amount described in this sentence shall be reduced by the amount of interest payable on each such Bond on such Interest Payment Date pursuant to the terms of the Ordinance and such Bonds. Any Bonds so purchased shall thereupon constitute Bank Bonds and shall, from the date of such purchase and while they are Bank Bonds, bear interest at the Bank Rate and have other characteristics of Bank Bonds as set forth herein and in the Ordinance.

(b) *Limited Commitment.* The Bank's commitment under this Agreement is limited to the purchase of Eligible Bonds and does not guarantee the payment of principal of or interest on the Bonds.

Section 2.02. Method of Purchasing. If, on any Purchase Date during the Purchase Period, the Bank receives not later than 12:00 p.m. a Notice of Bank Purchase from the Tender Agent and subject to the satisfaction of the conditions set forth in Article VII hereof, the Bank shall, subject to Section 2.01 hereof and Article VII hereof, transfer to the Tender Agent not later than 2:30 p.m. on such Purchase Date, in immediately available funds, an amount equal to the amount which, when added to any remarketing proceeds paid to the Tender Agent by the Remarketing Agent for which an irrevocable commitment from the purchaser to the Remarketing Agent has been received indicating that the DTC process has been initiated so as to provide funds from the purchaser to the Tender Agent by 2:30 p.m. on such Purchase Date, will be sufficient to pay the principal amount plus accrued and unpaid interest with respect to all such Eligible Bonds required to be purchased on such date. A Notice of Bank Purchase shall be irrevocable after receipt thereof by the Bank. With respect to any such Notice of Bank Purchase received by the Bank after 12:00 p.m. on any day, the Bank shall be required to make such purchase by 2:30 p.m. on the immediately succeeding Business Day. Payment of the Purchase Price under this Agreement shall be made by the Bank by wire transfer of immediately available funds, to the Tender Agent at U.S. Bank National Association, ABA No. _____, Account No. _____, Reference: _____. Such instructions (as specified by the Tender Agent in the immediately preceding sentence) may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying different instructions and executed by the Tender Agent and authenticated to the Bank's satisfaction. The Bank shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Tender Agent or the Remarketing Agent that results in its failure to effect the purchase of Eligible Bonds by the Bank with such funds pursuant to this Section 2.02 hereof. Any amounts received by the Tender Agent from the Bank pursuant to the terms of this Agreement and not used to pay the Purchase Price of Eligible Bonds shall be immediately returned to the Bank (and until so returned shall be held in trust by the Tender Agent for the account of the Bank) with a written notice indicating the portion of such returned amount which was drawn to purchase Eligible Bonds to the extent of funds drawn and received by the Tender Agent under this Agreement, and the Available Commitment shall not be reduced pursuant to clause (b) of the definition of

Available Principal Commitment by the amount drawn but so returned and actually received by the Bank. In the event that such funds are not returned to the Bank in immediately available funds as provided in this Section 2.02 by 3:30 p.m. (New York City time) on the same day on which such funds were advanced, the Issuer shall pay or cause to be paid to the Bank interest on such funds, payable by the Issuer on demand and in any event on the date on which such funds are returned, at a rate equal to the Bank Rate for such day the funds were advanced and thereafter at the Default Rate.

So long as the Bonds are issued in book-entry form and held by the Tender Agent as custodian of DTC as part of DTC's fast automated transfer program ("*FAST Eligible Bonds*"), concurrently with the Tender Agent's receipt of the purchase price for each purchase of Eligible Bonds by the Bank hereunder, the Tender Agent, as a participant of DTC (or any other successor securities DTC) or an eligible transfer agent, shall make a direct registration electronic book-entry (A) crediting the DTC account designated in writing by the Bank as its account in which to hold Bank Bonds purchased by it (each, the "*Bank Book-Entry Account*") by the principal amount of the Bonds purchased hereunder by the Bank using the Bank Bond CUSIP Number for such Bonds set forth below; and (B) debiting the book-entry account of DTC for the Bonds (thereby reducing the principal balance of the global certificate representing the Bonds) (the "*DTC Book-Entry Account*") by the principal amount of the Bonds purchased hereunder by the Bank. The CUSIP number for Bonds that are Bank Bonds is [_____]. So long as the Bonds are FAST Eligible Bonds, upon a remarketing of Bank Bonds in accordance with the terms of this Agreement and the Tender Agent's receipt from the Remarketing Agent and/or the Issuer of the amounts set forth in this Section 2.02, the Tender Agent, as a participant of DTC (or any other successor securities DTC) or an eligible transfer agent, shall make a direct registration electronic book-entry in its records (A) debiting the Bank Book-Entry Account of the Bank by the principal amount of the Bank Bonds so remarketed; and (B) crediting the DTC Book-Entry Account for such Bonds (thereby increasing the principal balance of the global certificate representing such Bonds) by the principal amount of the Bonds so remarketed. The Tender Agent acknowledges that it is familiar with the procedures and requirements set forth in a notice from DTC, dated April 4, 2008, respecting "Variable Rate Demand Obligations ("*VRDO*") Failed Remarketings and Issuance of Bank Bonds", as amended by DTC Notice Number B 3488-08, dated May 15, 2008, and agrees that, with respect to any and all Bank Bonds, it will follow the procedures and requirements set forth in such notice, as the same may be amended from time to time. To the extent that, following any amendment of such notice, the procedures and requirements therein should become inconsistent with any aspect of the preceding provisions, the Tender Agent, the Issuer and the Bank shall promptly negotiate in good faith and agree upon amendments of the preceding provisions so as to eliminate such inconsistency.

If the Bonds are no longer FAST Eligible Bonds, concurrently with the receipt of the Purchase Price for each purchase of Bonds by the Bank hereunder, the Tender Agent shall cause each Bank Bond to be registered in the name of the Bank and shall be held by the Tender Agent as the agent, bailee and custodian (in such capacity, the "*Custodian*") of the Bank for the exclusive benefit of the Bank. The Custodian acknowledges and agrees that it is acting and will act with respect to Bank Bonds at the written direction of the Bank for the exclusive benefit of the Bank and is not and shall not at any time be subject in any manner or to any extent to the direction or control of the Issuer or any other Person with respect to the Bank Bonds. The

Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions delivered to the Custodian from time to time pursuant hereto by the Bank. Under no circumstances shall the Custodian deliver possession of the Bank Bonds to, or cause Bank Bonds to be registered in the name of, the Issuer, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of this Agreement or otherwise upon the written instructions of the Bank. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Bank Bonds held for the Bank, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank's Payment Office. Upon the remarketing of any Bank Bonds and the Tender Agent's receipt from the Remarketing Agent and/or the Issuer of the amounts set forth in this Section 2.02, the Custodian shall release Bank Bonds in a principal amount equal to the principal amount so remarketed to the Remarketing Agent or the Issuer, as the case may be, in accordance with the terms of the Ordinance. The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were negligent. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its negligence. Except as provided above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Bank Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance or take any other action with respect to the Bank Bonds, or any interest therein, or any proceeds thereof. The Custodian shall deliver to the Bank at the Bank's written request such information as may be in the possession of the Custodian with respect to such Bank Bonds.

Section 2.03. Mandatory Reductions and Termination of Available Commitment.

(a) Upon (i) any redemption, prepayment, defeasance or other payment of all or any portion of the principal amount of the Bonds or (ii) one (1) Business Day following the Conversion of the interest rate borne by all or any portion of the Bonds to an interest rate other than the Covered Rate, the aggregate Available Principal Commitment shall be automatically reduced by the principal amount of the Bonds so redeemed, repaid, defeased or otherwise paid or so Converted, as the case may be. The Issuer shall provide or cause the Tender Agent to provide written notice of such redemption, repayment, defeasance or other payment or Conversion to be promptly delivered to the Bank.

(b) The Available Commitment shall automatically terminate one (1) Business Day following the Substitution Date.

(c) Upon any termination of the Available Commitment as set forth in this Section 2.03, all amounts required to be paid pursuant to Section 2.06 shall be paid in full.

Section 2.04. Sale of Bank Bonds; Reinstatement.

(a) *Right To Sell Bonds.* The Bank expressly reserves the right to sell, at any time, Bank Bonds, subject, however, to the express terms of this Agreement and the Ordinance. The Bank agrees to promptly notify the Issuer, the Tender Agent and the Remarketing Agent of any such sale (other than a sale made pursuant to Section 2.04(c) hereof) and to notify the transferee that such Bond is not an Eligible Bond and will bear no short-term rating so long as it remains a Bank Bond. Prior to selling a Bank Bond to any other party, each Bank Bondholder shall obtain a written acknowledgment from such prospective purchaser (and shall provide a copy of the same to the Issuer and the Tender Agent) stating that (i) such prospective purchaser agrees that it has no right to tender any Bank Bond and the Bank is not obligated to purchase it hereunder, (ii) such prospective purchaser is an institutional investor or other person which customarily purchases commercial paper or tax-exempt securities in large denominations, (iii) such prospective purchaser agrees to sell such Bank Bonds to any purchaser identified by the Remarketing Agent and not to otherwise sell its Bank Bonds, subject to its right to retain Bank Bonds as provided in Section 2.04(c) hereof, (iv) it shall, if such Bank Bond is a Book Entry Bond, give all notices in the manner and by the time required by DTC to exclude such Bank Bond from any mandatory tender of Bonds while it remains a Bank Bond, (v) it shall comply with all other applicable provisions of this Agreement, and (vi) so long as the Bond remains a Bank Bond, there is no short-term investment rating assigned to such Bond. Each seller of a Bank Bond shall notify the Remarketing Agent and the Tender Agent of the identity of the new Bank Bondholder purchasing such Bank Bond and shall require such new Bank Bondholder to agree to sell such Bank Bonds as provided in the preceding sentence and to agree not to otherwise sell its Bank Bonds.

(b) *Purchase Notices.* Prior to 11:00 a.m. on any Business Day on which Bank Bondholders hold Bank Bonds, the Remarketing Agent may deliver a notice (a "*Purchase Notice*") to the Bank Bondholders, as registered on the bond register maintained by the Tender Agent, and to the Bank, stating that it has located a purchaser (the "*Purchaser*") for some or all of such Bank Bonds and that such Purchaser desires to purchase such Bank Bonds on a Business Day (a "*Sale Date*") which shall be at least one (1) Business Day after the date on which the Purchase Notice is received by the Bank Bondholder. The Bank Bonds to be purchased shall be in Authorized Denominations and at a price of par plus an amount equal to the interest which would have accrued on such Bank Bond pursuant to the Ordinance had it not been a Bank Bond and any Accrued Interest paid on such Bank Bond as part of the Purchase Price for which the Bank has not been reimbursed (the "*Sale Price*"). Interest on Bank Bonds shall be payable as provided in Section 3.01 hereof.

(c) *Sale of Bank Bonds.* If a Bank Bondholder elects, at its sole option, to sell any Bank Bonds to any Purchaser, it shall give notice of such election to the Issuer, the Tender Agent and the Remarketing Agent at or before 4:00 p.m. on the Business Day preceding the Sale Date. If a Bank Bondholder elects, at its sole option, not to sell any Bank Bonds to any Purchaser, it shall give notice of such election to the Tender Agent at or before 4:00 p.m. on the Business Day next preceding the Sale Date. In the event no such notice is timely delivered by a Bank Bondholder such Bank Bondholder shall be deemed to have elected to sell such Bank Bonds to a Purchaser. If a Bank Bondholder elects, or is deemed to have elected, to sell such Bank Bonds to a

Purchaser, such Bank Bondholder shall deliver such Bank Bonds to the Remarketing Agent by 3:30 p.m. on the Sale Date against receipt by the Bank Bondholder of the Sale Price therefor, in immediately available funds, in the manner referred to in Section 2.04(a) hereof or at the Bank Bondholder's address listed in the bond register maintained by the Tender Agent, as the case may be, and such Bond shall thereupon no longer be considered a Bank Bond. In the event that a Bank Bondholder fails to deliver its Bond as described in the preceding sentence, the Bank Bondholder shall be deemed to have so delivered its Bond and the Remarketing Agent shall deliver the Sale Price therefor to the Tender Agent to be held in trust for the benefit of such Bank Bondholder pending the surrender of the Bank Bond by such Bank Bondholder. Upon delivery of such Sale Price by the Remarketing Agent to the Tender Agent, such Bond shall no longer be deemed a Bank Bond. When Bank Bonds are purchased or deemed purchased in accordance with this Section 2.04(c) hereof, the Remarketing Agent shall, upon receipt of such Bank Bonds and upon receipt by such Bank Bondholder of the Sale Price, notify the Issuer and the Tender Agent that such Bonds are no longer Bank Bonds. Any interest accrued on the Bank Bonds shall be paid to a Bank Bondholder as provided in Section 3.01 hereof and the Differential Interest Amount, if any, shall be paid to such Bank Bondholder by the Issuer on the applicable Sale Date; *provided, however*, that, to the extent permitted by law, any amount representing Differential Interest Amount shall, until paid in full, accrue interest thereon at the Bank Rate and said interest may be paid on the next succeeding Bank Bond Interest Payment Date. Any sale of a Bank Bond pursuant to this Section 2.04 shall be without recourse to the seller and without representation or warranty of any kind. If a Bank Bondholder notifies the Issuer, the Tender Agent and the Remarketing Agent at or before 4:00 p.m. on the Business Day before the Sale Date that it will not sell its Bank Bonds, the Remarketing Agent shall notify the Issuer, the Tender Agent and such Bank Bondholder that, as of the Sale Date, such Bonds shall no longer be considered Bank Bonds, shall no longer bear interest at the Bank Rate and, from and after such Sale Date, the Available Commitment shall be appropriately increased. Any such notice may be revoked in writing by the Bank Bondholder at any time prior to 4:00 p.m. on the Business Day preceding the Sale Date.

(d) *Continuing Obligation.* Following any sale of Bank Bonds pursuant to Section 2.04(c) hereof or otherwise or any election to retain Bonds pursuant to Section 2.04(c) hereof, each Bank Bondholder shall retain the right to receive payment from the Issuer of any other amounts then due and owing hereunder, including, without limitation, any accrued but unpaid Differential Interest Amount as provided in Section 3.01 hereof.

Section 2.05. Rights of Bank Bondholders. Upon purchasing Bank Bonds, Bank Bondholders shall be entitled to and, where necessary, deemed assigned all rights and privileges accorded and shall be secured to the same extent as any other Owners of Bonds under the Ordinance, including, without limitation, the right to receive payments of principal and interest, the right to have such Bank Bonds remarketed pursuant to the Ordinance and the Remarketing Agreement, and all rights under the Ordinance upon the occurrence of any "event of default" under the Ordinance, except to the extent the Ordinance provides to Bank Bondholders rights, privileges or obligations that are not applicable to Owners in general, and except to the extent such rights and privileges conflict with this Agreement in which case the terms of this Agreement shall prevail and govern. Upon purchasing Bank Bonds, Bank Bondholders shall be recognized by the Issuer, the Tender Agent and the Paying Agent as the true and lawful Owners

of the Bank Bonds and their names shall be registered on the Bond Register maintained by the Tender Agent.

Section 2.06. Fees, Expenses and Interest Component. (a) The Issuer agrees to pay to the Bank the fees set forth in the Fee Agreement, the provisions of which are incorporated herein by reference. Any reference herein or in any other document to fees and/or other amounts or obligations payable hereunder shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Agreement, and any reference to this Agreement shall be deemed to include a reference to the Fee Agreement.

(b) *Other Fees, Expenses and Payments.* The Issuer shall also be liable and shall pay to the Bank upon demand all reasonable fees, costs and expenses (including, without limitation, attorney's fees, costs and expenses for the Bank's counsel) incurred in connection with the administration or enforcement of, or in connection with any workout, restructuring or default under this Agreement (not related to any default of the Bank), or with respect to any amendment, waiver, modification or extension of this Agreement, the Bonds or the other Related Documents (as such amendment, waiver, modification or extension of the other Related Documents relates to the Bank, this Agreement or the Bonds).

(c) *Payment of Interest Component.* The Issuer shall pay the Bank interest at the Bank Rate on the amount of the Interest Component included in the Purchase Price from the Purchase Date until, and the amount of the Interest Component shall be payable by the Issuer on, the earliest to occur of (i) the Interest Payment Date next succeeding the Purchase Date, (ii) the date on which such Bank Bonds are remarketed, paid at maturity or redeemed, (iii) the last day of the Purchase Period or (iv) the second Business Day immediately succeeding the related Purchase Date; *provided* that the Issuer, in its discretion, may pay the Bank interest at the Bank Rate on the amount of the Interest Component on any Business Day prior to the earliest date hereinabove stated.

Section 2.07. Method of Payment; Credit. (a) All payments to be made by the Issuer under this Agreement or pursuant to the Fee Agreement shall be made to the Bank by means of wire transfer pursuant to the Payment Instructions, not later than 4:00 p.m. on the date when due and shall be made in U.S. Dollars and in freely transferable and immediately available funds. Any payment received by the Bank after 4:00 p.m. on any day shall be deemed to have been received by the Bank on the next succeeding Business Day.

(b) 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 in connection with the transfer or exchange of Bonds. The Issuer agrees to cause the Tender Agent to give the Bank timely notice of each such charge, including the amount thereof.

(c) Payments made to the Bank under this Agreement or pursuant to the Fee Agreement shall first be applied to any fees, costs, charges or expenses payable to the Bank hereunder, next to any past due interest, next to any current interest due, and then to outstanding principal.

Section 2.08. Computation of Interest and Fees. All computations of interest payable by the Issuer under this Agreement shall be computed on the basis of the actual number of days elapsed during a year consisting of 365 or 366 days, as applicable; *provided, however,* that interest due in connection with Bank Bonds shall be calculated using the Bank Rate applicable thereto on the basis set forth therefor for all Bonds. All computations of fees and other amounts payable by the Issuer under this Agreement shall be computed on the basis of the actual number of days elapsed during a year consisting of 360 days. Interest shall accrue during each period during which interest is computed from and including the first day thereof to and including the last day thereof.

Section 2.09. Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement or the Fee Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, but such extended time shall not be included in the computation of interest and fees.

Section 2.10. Late Payments. If the principal amount of any obligation owed to the Bank hereunder or pursuant to the Fee Agreement is not paid when due, such obligation shall bear interest until paid in full at a rate per annum equal to the Default Rate, payable on demand.

Section 2.11. Termination by the Issuer. (a) Subject to the payment of any amounts described in subsection (b) hereof, the Issuer may cause (i) the termination of this Agreement or permanent reduction of the Available Commitment no sooner than thirty (30) days' or (ii) the permanent reduction of the Available Commitment no sooner than five (5) days' following delivery of prior written notice to the Bank and the Tender Agent in connection with said termination or reduction, as applicable. Notwithstanding the foregoing, no termination of this Agreement or permanent reduction of the Available Commitment pursuant to this Section 2.11 shall become effective unless all amounts payable by the Issuer to the Bank pursuant to this Section 2.11 and the Fee Agreement have been paid in full and the Issuer has either (i) entered into a Substitute Liquidity Facility with a liquidity provider in accordance with the terms of the Ordinance and this Agreement on or prior to the date of such termination, (ii) refunded or defeased the Bonds in full, (iii) a Liquidity Facility is no longer required pursuant to Section 1212 of the Ordinance, or (iv) caused the Bonds to be converted to bear interest at a rate other than a Covered Rate; *provided,* that the Bank shall, on the effective date of any such automatic termination resulting from the events described in this clause (iv), have transferred funds requested by the Tender Agent pursuant to a Notice of Bank Purchase, if any, properly delivered in accordance with this Agreement and subject to the conditions to such transfer set forth herein, in respect of Eligible Bonds tendered prior to the effectiveness of such conversion. If the Issuer terminates or replaces this Agreement or permanently reduces the Available Commitment, the Issuer shall pay to the Bank the Termination Fee or the Reduction Fee, as applicable.

(b) Notwithstanding any provisions of this Agreement to the contrary, in connection with any termination of this Agreement as described hereinabove, the Issuer shall, on or prior to the termination date, pay to the Bank in immediately available funds all fees, expenses and other amounts payable hereunder and all principal of, and accrued interest on, any Bank Bonds

(including, without limitation, any Differential Interest Amount, Excess Bank Bond Interest and interest on the foregoing).

(c) Upon the termination of this Agreement by the Issuer for any reason, the Issuer will comply with all the requirements of the Ordinance with respect to such termination.

Section 2.12. Term of the Agreement. (a) The term of this Agreement shall commence on the Effective Date and shall continue until the later of (x) the last day of the Purchase Period, and (y) the payment in full of the principal of and interest on all Bank Bonds and all Obligations payable hereunder.

(b) Upon the written request of the Issuer (substantially in the form of Exhibit C hereto) received by the Bank no earlier than one hundred twenty (120) days and no later than ninety (90) days prior to, the Expiration Date then in effect, or such later date to which the Bank may consent in writing, the Bank shall, within forty-five (45) days of such request, notify the Issuer, the Tender Agent and the Remarketing Agent whether or not it will extend the current Expiration Date for such period as the Bank may agree in its sole discretion using the form attached hereto as Exhibit D. Any extension shall be at the sole and absolute discretion of the Bank. If the Bank fails to notify the Issuer of its decision within such 30-day period, the Bank shall be deemed to have rejected such request. Any such request by the Issuer for an extension of the Expiration Date shall be substantially in the form of Exhibit C hereto (or in such other form to which the Bank may consent in writing) and, unless the Bank shall otherwise consent, shall include (i) a statement of the outstanding principal amount of the Bonds, (ii) a reasonably detailed description of any and all Events of Default and all conditions, events and acts which with notice or lapse of time or both would become an Event of Default, and (iii) any other pertinent information requested by the Bank.

(c) Upon any extension of this Agreement pursuant to this Section, the Issuer shall provide notice thereof to each of the Rating Agencies then rating the Bonds.

Section 2.13. Yield Equivalency. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, assessment, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Bank;

(ii) subject any Recipient to any taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on the Bank any other condition, cost or expense affecting this Agreement or the Fee Agreement or any participation therein;

and the result of any of the foregoing shall be to increase the cost to the Bank of participating in, issuing or maintaining the Available Commitment (or of maintaining its obligation to participate

in or to maintain the Available Commitment), or to reduce the amount of any sum received or receivable by the Bank hereunder (whether of principal, interest or any other amount) then, upon request of the Bank, the Issuer will pay to the Bank such additional amount or amounts as will compensate the Bank for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Bank determines that any Change in Law affecting the Bank or the Bank's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Bank's capital or liquidity or on the capital or liquidity of the Bank's holding company, if any, as a consequence of this Agreement or the Available Commitment maintained by the Bank, to a level below that which the Bank or the Bank's holding company could have achieved but for such Change in Law (taking into consideration the Bank's policies and the policies of the Bank's holding company with respect to capital adequacy), then from time to time the Issuer will pay to the Bank such additional amount or amounts as will compensate the Bank or the Bank's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Bank setting forth the amount or amounts necessary to compensate the Bank or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Issuer shall be conclusive absent manifest error. The Issuer shall pay the Bank the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Bank to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of the Bank's right to demand such compensation; *provided* that the Issuer shall not be required to compensate the Bank pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that the Bank, notifies the Issuer of the Change in Law giving rise to such increased costs or reductions and of the Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) *Survival.* All of the Issuer's obligations under this Section 2.13 shall survive the termination of this Agreement and the Available Commitment and the repayment, satisfaction or discharge of all other Obligations.

Section 2.14. Taxes. (a) *Payments Free of Taxes.* Any and all payments of principal, interest, fees and other sums due hereunder and under the Fee Agreement shall be made in the amount required hereunder without any reduction, deduction or setoff, notwithstanding the assertion of any right of recoupment or setoff or of any counterclaim by the Issuer, and without any withholding on account of taxes, levies, duties or any other deduction whatsoever. If any such taxes are imposed on any payments made by the Issuer (including payments under this paragraph), the Issuer will pay the taxes. The Issuer will confirm that it has paid the taxes by giving the Bank official tax receipts (or notarized copies) within thirty (30) days after the due date.

(b) *Survival.* The Issuer's obligations under this Section 2.14 shall survive the termination of this Agreement and the Available Commitment and the repayment, satisfaction or discharge of all other Obligations.

Section 2.15. Issuer's Special, Limited Obligation. (a) The Issuer hereby acknowledges that the Obligations are special, limited obligations of the Issuer, including its obligation to pay any fees and any principal and interest (including any Differential Interest Amount and Excess Bank Bond Interest) owed with respect to Bank Bonds. The Issuer acknowledges that Bank Bonds shall constitute "Bonds" for purposes of the Ordinance and fees and other obligations owed to the Bank shall constitute "Credit Facility Obligations" for purposes of the Ordinance.

(b) All amounts due on the Obligations shall be payable and collectible solely out of the Net Pledged Revenues; the Bank may not look to any general or other fund for the payment of such amounts, except the herein designated special funds pledged therefor; the Obligations shall not constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation; and the Obligations shall not be considered or held to be a general obligation of the Issuer but shall constitute its special obligation. No Charter, statutory or constitutional provision enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of the Issuer to comply with the provisions of this Agreement or to pay the amounts due on the Obligations.

(c) None of the covenants, agreements, representations and warranties contained herein, nor the breach thereof, shall ever impose or shall be construed as imposing any liability, obligation or charge against the Issuer (except for Net Pledged Revenues), or against its general credit, or as payable out of its general fund or out of any funds derived from taxation or out of any other revenue source (except for Net Pledged Revenues). The full faith and credit of the Issuer is not pledged for the payment of the amounts due on the Obligations.

(d) For purposes of Section 7-60 of the Charter, this Agreement is entered into pursuant to the authority conferred in the Charter in relation to bonded indebtedness.

ARTICLE III

THE BANK RATE

Section 3.01. Bonds to Bear Interest at Bank Rate; Other Interest Provisions.

(a) *Bank Rate.* As provided in the Bonds and the Ordinance, any Bond purchased by the Bank pursuant to this Agreement shall thereupon become a Bank Bond and shall bear interest at the Bank Rate for the period commencing from the date that the Bank shall have purchased such Bond and continuing until such Bank Bond is paid in full, remarketed or retained by the Bank Bondholder as provided in Section 2.04(c). Subject to Section 3.01(c), the interest rate applicable for each date of determination with respect to any Bank Bond shall be the Bank Rate hereof; *provided* that, immediately upon the termination of this Agreement pursuant to Section 8.03(b) or the occurrence and continuation of an Event of Default, the Bank Rate shall be

equal to the Default Rate; *provided further* that, during the Term Out Period, the Bank Rate shall be determined pursuant to Section 3.03; and *provided further* that, subject to Section 3.01(c) hereof, at no time shall the Bank Rate exceed the Maximum Rate or be less than the applicable rate of interest on Bonds which are not Bank Bonds.

(b) *Overdue Rate.* If the principal amount of any Bank Bond or the Interest Component or, to the extent permitted by law, any interest payment required thereunder on the Bank Bonds, the Interest Component or any other Obligation (payable to the Bank hereunder or under the Fee Agreement), is not paid when due (whether by redemption or otherwise) (an “*Overdue Amount*”), such Overdue Amount shall bear interest from the date such Obligation was due until paid in full (after as well as before judgment) at a rate per annum equal to the Default Rate, subject to the terms of Section 3.01(c) hereof not to exceed the Maximum Rate, such interest to be payable on demand.

(c) In the event that Bank Bonds bear interest in excess of the Maximum Rate for any period, each Bank Bondholder shall receive interest on account of Bank Bonds only at the Maximum Rate for such period (the difference, but only if positive, between (i) the interest payable to each Bank Bondholder if the Bank Bonds had continuously borne interest at the Bank Rate or the Default Rate (without regard to the limitation set forth in this Section 3.01(c) hereof), as the case may be, and (ii) the interest actually paid to each Bank Bondholder at the Maximum Rate is referred to herein as the “*Excess Bank Bond Interest*”). Notwithstanding any subsequent reduction in the Bank Rate or the Default Rate, as the case may be, Bank Bonds shall bear interest from and after the date on which any Excess Bank Bond Interest is accrued at the Maximum Rate until the date on which the interest paid to the Bank Bondholder on Bank Bonds in excess of the Bank Rate or the Default Rate, as the case may be, equals such Excess Bank Bond Interest. Upon termination of this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, the Issuer shall pay, to the extent permitted by law, the Bank Bondholder a fee equal to the amount of all unpaid Excess Bank Bond Interest, plus interest thereon as described hereinbelow; *provided* that no such amount shall be paid to the extent payment thereof would violate applicable usury laws or laws governing maximum interest rates. The Issuer shall pay to the Bank Bondholder accrued interest, including any accrued but unpaid Excess Bank Bond Interest, on Bank Bonds on the Bank Bond Interest Payment Dates provided in Section 3.02(a) hereof. On any date on which Excess Bank Bond Interest is due and payable, and otherwise upon the request of the Issuer, while any Excess Bank Bond Interest is outstanding, the Bank Bondholder shall notify the Issuer of the amount of such accrued but unpaid Excess Bank Bond Interest; *provided, however*, that the failure of the Bank Bondholder to so notify the Issuer shall not effect the accrual of or the obligation of the Issuer to pay the Excess Bank Bond Interest hereunder.

Section 3.02. Bank Bonds Interest Payment Dates; Notification of Rate.

(a) *Payment Dates.* The Issuer agrees that, with respect to each Bank Bond, (i) the Interest Component, if any, included in the Purchase Price for such Bond shall be paid as set forth in Section 2.06(c) hereof; and (ii) except with respect to the Differential Interest Amount, which shall be paid as set forth in Section 2.04(c) hereof, and Excess Bank Bond Interest, which shall be payable in accordance with Section 3.01(c) hereof, interest payable pursuant to

Section 3.01(a) hereof shall be payable on each Interest Payment Date, upon redemption (to the extent of the interest accrued on the amount being redeemed), at maturity, and after maturity on demand (each, a “*Bank Bond Interest Payment Date*”). In the event any Bank Bond is remarketed or otherwise transferred by the Bank before payment in full of the funds provided by the Bank hereunder with respect thereto, together with interest thereon, the provisions of this Article III hereof shall continue to apply to such indebtedness until all sums owing for all periods during which the same was a Bank Bond are paid (including any amounts due pursuant to the Fee Agreement).

(b) *Notification of Rate.* The Bank will give telephone notice (promptly confirmed in writing) to the Issuer and the Tender Agent not later than 10:00 a.m. on each Sale Date of the Differential Interest Amount owed by the Issuer hereunder as a result of any sale of Bank Bonds pursuant to Section 2.04(b) hereof. Notwithstanding the preceding sentence, the Issuer’s obligations to make payments in respect of any Differential Interest Amount (together with accrued interest thereon, if applicable) shall not be discharged or reduced in any way as a result of the Bank’s failure to deliver any notice referred to in the preceding sentence. The Bank, upon the request of the Issuer or the Tender Agent, shall notify the Issuer or the Tender Agent, as the case may be, of the Bank Rate in effect during any period in which Bank Bonds are held by the Bank or any other Bank Bondholders or during which any Differential Interest Amount, Excess Bank Bond Interest or any amount in respect of the Interest Component remains unpaid. Absent manifest error, the Bank’s determination of any of the foregoing shall be binding upon the Issuer and the Tender Agent.

Section 3.03. Term Out Funding; Mandatory Redemption of Bank Bonds. Bank Bonds shall be due and payable by the Issuer on the earlier of (i) any of the dates prescribed in the definition of Purchase Period or (ii) the ninety-first (91st) day following the date on which such Bond became a Bank Bond (the “*Term Out Commencement Date*”); provided that the Bank shall provide term out funding in accordance with the terms of this Section 3.03 so long as the conditions precedent set forth in Section 7.01(b) hereof are satisfied on the related Term Out Commencement Date, and in such event, commencing on the Term Out Commencement Date, Bank Bonds shall be subject to mandatory redemption over a period not to exceed three (3) years from the related Purchase Date (the “*Term Out Period*”) with principal payable in equal (or nearly equal) semiannual installments, the first of which is payable by the Issuer on the six month anniversary of the related Purchase Date, and thereafter, each subsequent principal installment shall be payable by the Issuer on the next succeeding six (6) month anniversary of such Purchase Date and interest thereon at the Bank Rate or the Default Rate, as applicable, payable monthly in arrears on the first Business Day of each calendar month. Notwithstanding anything to the contrary contained herein, all Bank Bonds shall be subject to mandatory redemption on the earlier to occur of (i) any of the dates prescribed in the definition of Purchase Period (except clause (a) of such definition), and (ii) on the third (3rd) anniversary of the Purchase Date on which such Bonds became Bank Bonds. Notwithstanding anything to the contrary contained herein, in the event that on any Purchase Date the conditions precedent set forth in Section 7.01(b) hereof are not satisfied, the related Bank Bonds will be due and payable on the Term Out Commencement Date. During the Term Out Period, Bank Bonds may be prepaid, in whole or in part, in minimum denominations of One Hundred Thousand Dollars

(\$100,000) and in integral multiples of One Hundred Thousand Dollars (\$100,000) or such lesser principal amount of the Bonds that remain outstanding at any time without penalty.

ARTICLE IV

CONDITIONS PRECEDENT TO EFFECTIVENESS

Section 4.01. Conditions Precedent to Effectiveness. This Agreement shall become effective on the date (the “*Effective Date*”) when the Bank shall have received each of the following, each of which shall be in form and substance satisfactory to the Bank. The execution and delivery of this Agreement by the Bank shall constitute the Bank’s acknowledgment that such conditions have been satisfied or waived.

(a) A true and complete original executed counterpart of this Agreement and the Fee Agreement and certified copies of each other Related Document, except that only a specimen of the Bonds need be provided.

(b) A certified copy of the Supplemental Ordinance approving this Agreement, the Fee Agreement, the other Related Documents and the other matters contemplated hereby and thereby.

(c) Originals (or copies certified to be true copies by the Issuer) of all governmental and regulatory approvals at the time necessary for the Issuer with respect to this Agreement, each of the other Related Documents and the transactions contemplated hereby and thereby, together with a list of any approvals still to be received.

(d) A certificate of each of the Issuer, the Paying Agent and the Tender Agent certifying the incumbency, names and true signatures of the respective officers thereof authorized to sign this Agreement and/or the other Related Documents to be delivered by each one of them hereunder or pursuant hereto.

(e) The opinion of counsel to the Issuer in form and substance satisfactory to the Bank and addressed to the Bank regarding the enforceability of this Agreement, the Fee Agreement, certain other Related Documents and related matters.

(f) Copies of the legal opinions rendered in connection with the execution and/or delivery of this Agreement, the Ordinance and the Bonds and to the effect that the Bonds and Bank Bonds are secured by a valid and binding lien on on Pledged Revenues together with reliance letters addressed to the Bank stating that the Bank is entitled to rely thereon as if said opinions were addressed to them.

(g) A certificate signed by an Authorized Officer of the Issuer, dated the Effective Date, stating that: (i) the representations and warranties of the Issuer contained in Article V hereof are true and correct on and as of the Effective Date as though made on and as of such date; (ii) no petition by or against the Issuer has at any time been filed under the United States Bankruptcy

Code or under any similar State or Federal statute; (iii) no Default or Event of Default has occurred and is continuing, or would result from the execution and performance of, this Agreement and any other Related Document; (iv) no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the Utilities between the date of the most recent audited financial statements of the Utilities and the Effective Date which materially adversely affects the issuance of the Bonds, the security for the Bonds or the Issuer's ability to repay when due its obligations under this Agreement and the Related Documents; and (v) that the Issuer has complied with all conditions precedent set forth in this Section 4.01.

(h) Payment of the Bank's fees and expenses payable on the Effective Date.

(i) Written confirmation that (i) the Bonds have received long-term and short-term credit ratings of "Aa2/VMIG1" from Moody's and "AA/A-1" from S&P, (ii) the Parity Bonds have received long-term credit ratings of "Aa2" from Moody's, "AA" from S&P and "AA" from Fitch, and (iii) the Bank Bonds have received at least one credit rating from either Moody's or Fitch of not less than "Baa3" or "BBB-," respectively.

(j) There shall have been delivered to the Bank (i) the financial reports for the most recent Fiscal Year ended [**December 31, 2018**] of the Utilities, including in comparative form the consolidated statement of operations for the previous Fiscal Year, (ii) the budget currently in effect for this Fiscal Year, (iii) any financial projections prepared by the Utilities during the most recent Fiscal Year and (iv) a copy of the current Investment Policy of the Utilities.

(k) All filings, recordings, re-filings and re-recordings shall have been made, notices given, all filing fees, taxes and expenses in connection therewith shall have been paid and all such action shall have been taken, which are necessary or advisable on the Effective Date to grant to the owners of the Bonds, a lien on the Net Pledged Revenues as described in the Ordinance.

(l) The Remarketing Agent, the Paying Agent and the Tender Agent shall have been appointed, which appointment shall be satisfactory to the Bank. The Bank shall have received copies of the Remarketing Agreement, duly executed by the parties thereto, which agreements shall be in full force and effect.

(m) The Remarketing Agent shall have (i) caused the Bank Bonds to be assigned a CUSIP number (such CUSIP number to be different from the CUSIP number assigned to the Bonds), and (ii) provided such Bank Bond CUSIP number to the Bank.

(n) The Bank shall have received evidence that the Issuer has delivered the necessary documentation and satisfied any conditions such that the Existing Liquidity Facility shall have been terminated and all amounts due and owing thereunder have been paid in full.

(o) Such other documents, instruments, approvals (and, if requested by the Bank, certified duplicates of executed originals of each of the foregoing, if available), and opinions as the Bank may reasonably request.

In addition to the foregoing, the Bank shall have determined, as of the Effective Date, (A) there shall have occurred no material adverse change in the financial condition of the Utilities, nor shall there have occurred a change in the laws, rules, guidelines or regulations (or the interpretation or administration thereof) applicable to the Utilities which materially adversely affects the ability of the Issuer to perform its obligations hereunder or under any other Related Document, as determined by the Bank in its sole discretion, and (B) that no law, regulation, ruling or other action of the United States, the State of New York or the State or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Bank from fulfilling its obligations under this Agreement.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

To induce the Bank to enter into this Agreement and make the Available Commitment available, the Issuer makes the following representations and warranties to, and agreements with the Bank (which representations, warranties and agreements shall survive the execution and delivery of this Agreement and any purchase of Bonds by the Bank):

Section 5.01. Existence and Standing. The Issuer is duly organized and validly existing under the laws of the State. The Issuer has performed all actions required to be performed by the Issuer with the State and other Governmental Authorities having jurisdiction over the Issuer and no proceeding is pending to terminate the existence of the Issuer. The Issuer has the necessary power and authority to execute and deliver this Agreement and the Fee Agreement and to perform its obligations hereunder and under the other Related Documents and to conduct the business of the Issuer.

Section 5.02. Authorization and Validity. The Issuer's execution and delivery of this Agreement and the Related Documents to which it is a party have been duly authorized by proper proceedings of its governing body, and no further approval, authorization or consents are required by law or otherwise. The Issuer had the power and authority to borrow the proceeds of the Bonds as contemplated by the Ordinance at their time of issuance, and the Issuer has taken all necessary action to authorize the execution, delivery and performance of this Agreement and/or the other Related Documents to which it is or will be a party.

Section 5.03. Enforceability. Assuming due authorization, execution and delivery by each of the other parties thereto, each of this Agreement and the other Related Documents (other than the Bonds) to which the Issuer is a party constitutes the legal, valid and binding obligation of the Issuer, enforceable in accordance with their terms, subject, as to enforceability, to applicable bankruptcy, moratorium, insolvency or similar laws affecting the rights of creditors generally and to certain principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Each of the Related Documents is in full force and effect. The Bonds have been duly issued, executed and delivered in conformity with the Ordinance, and constitute legal, valid and binding special limited obligations of the Issuer, enforceable in accordance with their terms, except as such enforceability may be limited by

applicable reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar laws effecting the enforcement of the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and entitled to the benefit and security of the Ordinance.

Section 5.04. Compliance with Laws and Contracts. (a) Neither the execution and delivery by the Issuer of this Agreement or the Fee Agreement, nor the consummation of the transactions contemplated herein and in the other Related Documents, nor compliance with the provisions hereof or thereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on it, other organizational documents or the provisions of any resolution, instrument or material agreement to which it is a party or is subject, or by which it or its Property is bound, or conflict with or constitute a default under or result in the creation or imposition of any Lien not permitted under the Ordinance pursuant to the terms of any such resolution, instrument or agreement. The obligations, duties and liabilities of the Issuer hereunder or under the Fee Agreement do not contravene or violate any provisions of the Ordinance or any other Related Document to which it is a party or the rights, interests, security or remedies of the Bank, hereunder.

(b) The Issuer is not in material default under (i) any order, writ, injunction or decree of any Governmental Authority, (ii) any law or regulation applicable to the Issuer, (iii) any obligations of the Issuer payable from or secured by the Net Pledged Revenues, or (iv) any contract, agreement or instrument to which the Issuer is a party or by which it or the System is bound, default under which could reasonably be expected to have a material adverse effect on the System, business, condition (financial or other), results of operations or prospects of the Utilities or the transactions contemplated by this Agreement or the other Related Documents, or which could reasonably be expected to have a material adverse effect on the validity or enforceability of, or the authority or ability of the Issuer to perform its obligations under, this Agreement and the other Related Documents to which it is a party.

Section 5.05. Litigation. Except as described in in writing by the Issuer to the Bank on or before the Effective Date, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Issuer, threatened against or affecting it (a) wherein an unfavorable decision, ruling or finding is reasonably likely to materially adversely affect (i) the transactions contemplated by or the validity of this Agreement, any of the Related Documents or any material agreement or instrument to which it is a party and which is used or contemplated by this Agreement or the Related Documents, (ii) the System or the assets, operations or conditions, financial or otherwise of the Utilities, the Net Pledged Revenues, or the Issuer's ability to perform its obligations hereunder or under the Related Documents to which it is a party, or (iii) the rights, interests, security or remedies of the Bank hereunder; or (b) which in any way contests its existence, organization or powers or the titles of its officers to their respective offices or the ability of the Issuer to perform its obligations under the Agreement or any Related Document.

Section 5.06. No Event of Default. No Event of Default or Default has occurred and is continuing.

Section 5.07. Bonds. Each Bond (including each Bank Bond) has been duly and validly issued under the Ordinance and is entitled to the benefits thereof.

Section 5.08. Regulatory Approvals. On the Effective Date, each authorization, consent, approval, license or formal exemption from or filing, declaration or registration with, any court or other Governmental Authority (Federal, state or local), required in connection with the execution and delivery or adoption of, as the case may be, and its performance under this Agreement and the Related Documents to which it is a party, has been obtained or made and is in full force and effect; *provided* that no representation is made as to compliance with state “Blue Sky” or qualified investment laws.

Section 5.09. Representations in Related Documents. The Issuer makes to the Bank each of the representations and warranties as were made by it in each Related Document to which it is a party as of the date on which it was made, which representations and warranties, together with the related definitions of terms contained therein, are hereby incorporated by reference with the same force and effect as if each and every such representation and warranty and definition were set forth herein in its entirety. No amendment, modification, termination or replacement of any such representations and warranties and definitions contained in any Related Document to which the Issuer is a party shall be effective to amend, modify, terminate or replace said representations and warranties and definitions incorporated herein by this reference, without the prior written consent of the Bank.

Section 5.10. Assignment of Bonds. The Bank Bonds purchased pursuant to Article II will be transferred to the Bank free and clear of all Liens, security interests or claims of any Person other than the Bank, except for consensual Liens or other security interests as may be created by the Bank.

Section 5.11. Financial Statements. The audited financial statements of the Utilities as of December 31, 2017, and December 31, 2018, copies of which have been furnished to the Bank, have been prepared in accordance with generally accepted accounting principles consistently applied (as modified by applicable governmental auditing and accounting standards), and present fairly the financial condition of the Utilities as of the date thereof and the results of its operations for the period then ended. After December 31, 2018, there has been no material adverse change in the condition (financial or otherwise) or operations of the Utilities, except as disclosed in documents provided by the Issuer to the Bank. Since December 31, 2018, no transaction or event has occurred and no change has occurred in the condition (financial or otherwise) or operations of the Utilities which could materially adversely affect the Bonds, the security for any of the Bonds, the ability to repay, when due, the obligations of the Issuer under this Agreement or any of the Related Documents, or the rights, interests, security or remedies of the Bank hereunder.

Section 5.12. Correct Information. All information, reports and other papers and data with respect to the Utilities which were furnished by the Issuer to the Bank were, at the time the same were so furnished, to the best of knowledge of the Issuer, complete and correct in all material respects except as noted therein; *provided however* that items that are unaudited, estimated, preliminary, or otherwise in a non-final state shall always remain subject to change.

Any financial, budget and other projections furnished to the Bank were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent, the Issuer's best estimate of the future financial performance of the Utilities. No fact is known to the Issuer that materially adversely affects or, in the future, may (so far as he/she can reasonably foresee) materially adversely affect the security for any of the Bonds, or the ability of the Issuer to repay when due the obligations of the Issuer under this Agreement and the Related Documents that has not been set forth in the financial statements and other documents referred to in this Section 5.12 or in such information, reports, papers and data or otherwise disclosed in writing to the Bank. To the best knowledge of the Issuer, the documents furnished and statements made by the Issuer in connection with the negotiation, preparation or execution of this Agreement and the Related Documents do not contain untrue statements of material facts or omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

Section 5.13. No Proposed Legal Changes. Except as disclosed in writing to the Bank, there is no amendment, or, to the knowledge of the Issuer, proposed amendment(s) certified for placement on a statewide ballot, to the Issuer's Charter, the Constitution of the State or any published administrative interpretation of the Constitution of the State or any law or any legislation that has passed either house of the legislatures of the State, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the Bonds, the security for any of the Bonds, the ability of the Issuer to repay when due the obligations of the Issuer under this Agreement and the Related Documents, or the rights, interests, security or remedies of the Bank hereunder.

Section 5.14. The Paying Agent, the Tender Agent and the Remarketing Agent. Wells Fargo Bank, National Association (or a successor or assign approved in writing by the Bank, which approval shall not be unreasonably withheld), is the duly appointed and acting Tender Agent and Paying Agent, and [Wells Fargo Securities LLC] (or a successor or assign approved in writing by the Bank, which approval shall not be unreasonably withheld (it being understood that any determination of reasonableness hereunder shall not take into account any conduct of similarly situated banks or financial institutions)), is the duly appointed and acting Remarketing Agent.

Section 5.15. Sovereign Immunity. Except for claims which lie in tort or could lie in tort, the Issuer does not enjoy any defense on the grounds of immunity (sovereign or otherwise) with respect to its contractual obligations under this Agreement, the Bonds or the Related Documents and, in the event that the Issuer obtains the right to a defense on the grounds of immunity with respect to such contractual obligations, the Issuer hereby agrees to waive such right to immunity (sovereign or otherwise).

Section 5.16. Security; First Lien Debt. (a) The Ordinance creates, for the benefit and security of the Bonds, including without limitation the Bank Bonds, the legally valid and binding Lien on and pledge of the Net Pledged Revenues and the funds described in Section 902 of the Ordinance (the "Funds"). There is no Lien on the Net Pledged Revenues on a parity or superior

to the Lien created by the Ordinance other than the Lien on and pledge of Net Pledged Revenues created for the holders of the Parity Bonds, for any Parity Credit Facility Obligations or for any Parity Financial Products Agreements. The Ordinance does not permit the issuance of any debt secured by the Net Pledged Revenues to rank senior to the Bonds, the Parity Bonds or the Bank Bonds. The payment of Bank Bonds, to the extent characterized in this Agreement as interest, ranks on a parity with the payment of principal of and interest on Bonds and is not subordinate to any other payment secured by a Lien on the Net Pledged Revenues or the Funds. The payment of Bank Bonds, to the extent characterized in this Agreement as principal, ranks on a parity with the payment of principal of and interest on Bonds and is not subordinate to any other payment secured by a Lien on the Net Pledged Revenues or the Funds. No filing, registering, recording or publication of the Ordinance or any other instrument (not heretofore accomplished) is required to establish the pledge under the Ordinance or to perfect, protect or maintain the Lien created thereby on the Net Pledged Revenues and the Funds.

(b) As of the Effective Date, there is no First Lien Debt Outstanding and the Issuer covenants not to issue or incur any First Lien Debt.

Section 5.17. Federal Reserve Regulations. The Issuer is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock as defined in Regulation U of the Board of Governors of the Federal Reserve System. No part of the proceeds of any Bonds will be used for the purpose, whether immediate, incidental or ultimate, to purchase or carry any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time), or to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose which would violate any of the regulations of said Board of Governors.

Section 5.18. Tax Exempt Status. The Issuer has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other person or entity, which action, if taken or omitted, would cause interest on the Bonds to be subject to Federal income taxes or to personal income taxes levied by the State.

Section 5.19. Employee Benefit Plans. The Issuer is not subject to ERISA.

Section 5.20. Solvency. The Issuer is solvent and able to pay its debts as they become due.

Section 5.21. Insurance. The Issuer currently maintains insurance with respect to the System of such type and in such amounts or in excess of such amounts as are customarily carried by, and insured against by, municipal utilities of like type, size and character as the Utilities of the Issuer.

Section 5.22. Environmental Matters. Except as described in writing by the Issuer to the Bank on or before the Effective Date, the Issuer has not received notice to the effect that the operations of the System are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject

of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the assets, financial condition, or operations of the System or the ability of the Issuer to perform its obligations under this Agreement or the other Related Documents to which it is a party.

Section 5.23. Reserved.

Section 5.24. Usury. The terms of this Agreement and the other Related Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

Section 5.25. Use of Proceeds. The proceeds of the Bonds have been used only as authorized in the Ordinance.

Section 5.26. No Existing Revenues Secured Debt Subject to Acceleration. As of the Effective Date, no Person, including, without limitation, any credit facility provider or liquidity provider, either of which provides credit enhancement or liquidity support with respect to any Revenues Secured Debt or any other Debt secured by a lien on or payable from Net Pledged Revenues, or any holder of Revenues Secured Debt or debt secured by or payable from Net Pledged Revenues or any other Debt secured by a lien on or payable from Net Pledged Revenues, has a right under any indenture, supplemental indenture, ordinance or resolution relating to any such Revenues Secured Debt or any other Debt secured by a lien on or payable from Net Pledged Revenues or under any other document or agreement relating to any Revenues Secured Debt or any other Debt secured by a lien on or payable from Net Pledged Revenues, to direct an acceleration of such Revenues Secured Debt or such other Debt secured by a lien on or payable from Net Pledged Revenues, or to otherwise declare the principal of and interest on any Revenues Secured Debt or such other Debt secured by a lien on or payable from Net Pledged Revenues to be immediately due and payable, prior to its maturity.

Section 5.27. Sanctions Concerns and Anti-Corruption Laws. (a) *Sanctions Concerns.* Neither the Issuer, nor, to the knowledge of the Issuer, any director or officer thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(b) *Anti-Corruption Laws.* The Issuer has conducted its business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

ARTICLE VI

COVENANTS

During the term of this Agreement, and until the Obligations of the Issuer to the Bank under this Agreement are paid in full and this Agreement shall have terminated, unless the Bank shall otherwise consent in writing, the Issuer covenants and agrees as follows:

Section 6.01. Covenants of the Issuer. So long as any of the Bonds shall be Outstanding (including any Bank Bonds) or any Obligation remains unpaid hereunder, the Issuer covenants and agrees as follows, unless the Bank shall otherwise consent in writing:

(a) *Notice of Default.* Immediately after the Issuer shall have obtained knowledge of the occurrence of an Event of Default or Default, it shall provide to the Bank the written statement of an Authorized Officer of the Issuer setting forth the details of each such Event of Default or Default and the action which the Issuer proposes to take with respect thereto.

(b) *Compliance With Laws.* The Issuer shall comply in all material respects with all material laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject except where the failure to comply would not have a material adverse effect on the operations or financial condition of the Utilities; *provided, however,* that the Issuer may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the Issuer's power and authority to execute this Agreement, to perform its obligations and pay all amounts payable by it hereunder, or to perform its obligations under the Related Documents to which it is a party.

(c) *Use of Proceeds.* The Issuer shall cause (i) the proceeds from purchases of Eligible Bonds made hereunder to be used solely to pay the Purchase Price of such Bonds as more fully described in Sections 2.01 and 2.02 and (ii) the proceeds of the Bonds to be used solely for the purposes set forth in the Ordinance.

(d) *Related Obligations.*

(i) The Issuer shall not permit any amounts payable by it hereunder and under the other Related Documents to which it is a party according to the terms hereof or thereof to be in default unless said default is waived by the entity to whom the payment is due.

(ii) The Issuer shall use best efforts to cause the Tender Agent, the Paying Agent and the Remarketing Agent at all times to comply with the terms of the Related Documents to which they are a party.

(e) *Inspection Rights.* At any reasonable time and from time to time the Issuer shall permit the Bank or any agents or representatives thereof, to examine and make copies of the records and books of account of the Utilities related to the transactions contemplated by this

Agreement, to visit the properties of the Utilities and to discuss the affairs, finances and accounts of the Utilities with any of its officers and independent accountants.

(f) *Disclosure Documents.* The Issuer shall not refer to the Bank in any offering or disclosure document without the Bank's prior written consent thereto; *provided, however,* that the Bank consents to the inclusion of information regarding the Bank in offering documents delivered in connection with the issuance of Parity Bonds so long as the information regarding the Bank provided by the Bank in such future offering documents includes only information of the type set forth in the Official Statement under the caption [**"COLORADO SPRINGS UTILITIES – Liquidity / Support Facilities."**]

(g) *Optional Redemption.* Without the prior written consent of the Bank, the Issuer shall not optionally redeem any Bonds (other than Bank Bonds) issued under the Ordinance prior to redeeming Bank Bonds in full or if, after giving effect to such redemption in full, there would be any unpaid Differential Interest Amount or Excess Bank Bond Interest.

(h) *Conversions; Defeasance.*

(i) The Issuer shall promptly furnish, or cause to be furnished, to the Bank, not later than its furnishing the same to the Remarketing Agent, a copy of any written notice furnished by the Issuer to the Remarketing Agent pursuant to the Ordinance indicating a proposed conversion of the interest rate on the Bonds to a rate of interest other than a Covered Rate.

(ii) The Issuer shall not permit a conversion of the Bonds to a rate of interest other than a Covered Rate without the prior written consent of the Bank, unless upon such conversion, the Bank's obligations under this Agreement are terminated. If said conversion occurs, with the consent of the Bank, the Issuer shall, on such Conversion Date, be obligated to pay to the Bank all Obligations due hereunder (including any Bank Bonds, unpaid Differential Interest Amount, Excess Bank Bond Interest and any other amounts payable to the Bank hereunder that are outstanding on said Conversion Date). In addition, the Issuer agrees that it will not defease, nor permit the defeasance of, the Bonds pursuant to Section 1401 of the Ordinance without having first satisfied all of its Obligations hereunder and under the Fee Agreement (including the Bank Bonds) and satisfying all unpaid amounts owing under this Agreement upon the Bank's honoring of the related purchase under this Agreement, if any.

(i) *Certain Notices.* The Issuer shall furnish to the Bank the following:

(i) Prompt notice of any action, suit or proceeding known to it at law or in equity or by or before any Governmental Authority which, if adversely determined, would be reasonably likely to materially impair the ability of the Issuer to carry out its obligations under this Agreement, the Related Documents to which it is a party or any other document, instrument or agreement required hereunder or thereunder, or would materially adversely affect the assets or financial condition of the Utilities.

(ii) Prompt written notice to the Bank of (A) any material dispute which may exist in connection with any material transaction contemplated under this Agreement, or (B) any matter or event which may result in a material adverse change in the operations of the Utilities.

(iii) At the request of the Bank, copies of each request made by, and other information as and when provided to, the Paying Agent and the Tender Agent.

(iv) Simultaneously with the furnishing thereof, copies of each annual budget, financial statement or report furnished to the holder of the Bonds, including each modification of the foregoing prepared and delivered to any such Person, and not otherwise required to be furnished to the Bank pursuant to any other clause of this Section 6.01(i).

(v) (A) Prompt notice of the failure by the Remarketing Agent, the Paying Agent or the Tender Agent to perform any of its obligations under the Remarketing Agreement or the Ordinance, (B) notice, within one day of the Issuer's acquiring knowledge, in any fashion, of the following: a downgrade, withdrawal or suspension of the long-term underlying credit rating assigned by any one of the Rating Agencies to the Bonds or any Parity Bonds, (C) forthwith, copies of any correspondence or other communications, delivered to or received by it or by or on behalf of the Issuer, from the Internal Revenue Service with respect to the Bonds, (D) prompt notice of any proposed substitution of this Agreement, (E) forthwith, copies of each notice required to be given to the Bank pursuant to the Ordinance, and (F) such further information with respect to the Issuer as the Bank may reasonably request from time to time.

(vi) Promptly after the receipt or giving thereof, copies of all notices of resignation by or removal of the Paying Agent, the Tender Agent or the Remarketing Agent which are received or given by the Issuer.

(vii) Promptly after the adoption thereof, copies of any amendments of or supplements to the Investment Policy and copies of any amendments to the Related Documents.

(viii) (a) Written notice of any change in the identity of the Paying Agent, the Tender Agent or the Remarketing Agent upon becoming aware of the same and (b) as soon as possible but, in any event, within thirty (30) days after the issuance thereof, copies of any prospectus, official statement, offering circular, placement memorandum, remarketing circular or similar or corresponding document, and any supplements thereto and updates and amendments thereof, that the Issuer makes available in connection with the offering for sale of any Parity Bonds.

(ix) Promptly upon the request of the Bank, a copy of the certificate required to be delivered by the Issuer in connection with the issuance of any Parity Bonds pursuant to Section 1021 of the Ordinance.

(j) *Liquidity.* (i) The Issuer agrees to (x) convert the interest rate on the Bonds to a rate other than Covered Rate, (y) refinance the Bonds or (z) use best efforts to deliver a Substitute Liquidity Facility to replace this Agreement in the event (1) the Issuer shall fail to request an extension of the Expiration Date pursuant to Section 2.12 hereof or the Bank shall decide not to extend the Expiration Date pursuant to Section 2.12 hereof (such replacement to occur on or before such Expiration Date), (2) there shall have occurred a mandatory tender of Bonds under the Ordinance or (3) the Bank shall furnish a Default Notice pursuant to Section 8.03(d) hereof to the Tender Agent unless, in each event, the Issuer has provided funds (which may be remarketing proceeds) for the purchase of all Bank Bonds at par plus accrued interest through the Purchase Date and notifies the Bank in writing of its decision not to provide a Substitute Liquidity Facility.

(ii) The Issuer agrees that any Substitute Liquidity Facility will require, as a condition to the effectiveness of that Substitute Liquidity Facility, that the Replacement Bank or the Issuer provide funds (which may be remarketing proceeds) on the Substitution Date for the purchase of all Bank Bonds at par plus accrued interest (at the Bank Rate) through the Substitution Date. On the Substitution Date or on any date the Issuer provides the funds required by clause (i) of this paragraph if no Substitute Liquidity Facility is to be provided, the Issuer shall pay in full all other amounts due hereunder (including, without limitation, any Differential Interest Amount, Excess Bank Bond Interest and unpaid interest thereon).

(iii) The Issuer shall not permit a Substitute Liquidity Facility to become effective with respect to less than all of the Bonds without the prior written consent of the Bank.

(k) *Adequacy and Applicability of Charges.* The Issuer agrees to comply with Section 1021 of the Ordinance as it may be amended from time to time throughout the term of this Agreement. As of the date hereof, such section reads as follows:

“There shall be charged against users of service pertaining to and users of the System, including the City, except as provided by Section 1022 hereof, such fees, rates and other charges so that the Gross Pledged Revenues shall be adequate to meet the requirements of this and the preceding Sections hereof. Such charges pertaining to the System shall be at least sufficient so that the Gross Pledged Revenues annually are sufficient to pay in each Fiscal Year:

(A) *Operation and Maintenance Expenses.* An amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year,

(B) *Principal and Interest.* An amount equal to 130% of both the principal and interest on the Bonds and any Parity Bonds then Outstanding payable from the Net Pledged Revenues in that Fiscal Year (excluding the reserves therefor). For the purpose of establishing the fees, rates and other charges for the use of the System to comply with this paragraph, interest on the Bonds which is not established for the entire next succeeding Fiscal Year shall be assumed to equal the average interest rate borne by the

Bonds for the preceding Fiscal Year or, with respect to the first Fiscal Year in which the Bonds are Outstanding, at the initial rate borne by the Bonds. If any parity Variable Rate Bonds (other than the Bonds), parity Balloon Bonds, Commercial Paper Notes or Parity Credit Facility Obligations are Outstanding, the amount of principal and interest or similar payments with respect to such parity Variable Rate Bonds, parity Balloon Bonds, Commercial Paper Notes or Parity Credit Facility Obligations due in such Fiscal Year shall be the amount specified in the ordinance pursuant to which such parity Variable Rate Bonds or parity Balloon Bonds or Commercial Paper Notes or Parity Credit Facility Obligations are authorized, and for the purposes of this paragraph, parity Tender Bonds shall be assumed to mature on the stated maturity or mandatory Redemption Date or Dates thereof and Commercial Paper Notes shall be assumed to mature 25 years after the earlier of (i) the expiration date of the program established for them as set forth in the ordinance of the City authorizing the issuance of the Commercial Paper Notes or (ii) 5 years from the initial date of issuance of any Commercial Paper Notes under such program, and

(C) *Deficiencies.* Any amounts required to pay all sums, if any, due and owing to the Surety Provider under the Surety Agreement or the Bank under the Liquidity Facility and to meet then existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable therefrom and any amounts necessary to satisfy its covenants under any Financial Products Agreements (other than Financial Products Payments and other than any termination, settlement or similar payments required to be paid upon an early termination of the Financial Products Agreement or as a result of any event of default thereunder).

For the purpose of subsection B above, if a Parity Financial Products Agreement has been entered into by the City with respect to the Bonds or any Parity Bonds, interest on the Bonds or such Parity Bonds shall be included in the calculation of such interest by including for that Fiscal Year an amount equal to the amount of interest payable on the Bonds or such Parity Bonds in that Fiscal Year determined as hereinabove provided plus any Financial Products Payments payable in that Fiscal Year minus any Financial Products Receipts receivable in that Fiscal Year; provided that in no event shall any calculation made pursuant to this sentence result in a number less than zero being included in the calculation of such interest.

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 Payments or Receipts are based on interest rates which are not fixed in percentage for such Fiscal Year, such amount shall be calculated by assuming such variable interest rate is a fixed interest rate equal to (i) if the Parity Financial Products Agreement relates to the Bonds or other Variable Rate Bonds, the fixed rate of interest estimated for the Bonds or such other Variable Rate Bonds as hereinabove provided or (ii) if the Parity Financial Products Agreement relates to Parity Bonds which bear interest at a fixed interest rate, the average of the daily interest rate for such Payments or Receipts under such Financial Products Agreement during the immediately preceding Fiscal Year or during the time the Financial Products Agreement has been in effect if less than all of such immediately preceding Fiscal Year.

In determining the amount payable under any Financial Products Payments or Financial Products Receipts on any interest rate cap, floor, collar or other similar Financial Products Agreement with respect to Parity Bonds which are Variable Rate Bonds, such amount shall be calculated by assuming the interest rate on the related Parity Bonds is the rate determined as provided in subsection B above. In determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate cap, floor, collar or other similar Financial Products Agreement with respect to Parity Bonds 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 Parity Bonds.”

(l) *Appointment of Successors.* The Issuer shall not, without the prior written consent of the Bank, appoint a successor Tender Agent, Paying Agent or Remarketing Agent. The consent of the Bank shall not be unreasonably withheld, conditioned or delayed.

(m) *Incorporation of Certain Covenants.* (i) The covenants of the Issuer set forth in the Related Documents to which it is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement for the benefit of the Bank and shall be enforceable against the Issuer. To the extent that any such incorporated provision permits the Issuer, the holders of the Bonds or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Issuer, the holders of the Bonds or any other party, for purposes of this Agreement, such provision shall be deemed waived only if it is specifically waived by the Bank in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank which shall only be evidenced by the written approval by the Bank of the same. Except as otherwise provided in clause (ii) hereinbelow, no termination or amendment to such covenants and agreements or defined terms or release of the Issuer with respect thereto made pursuant to the Related Documents shall be effective to terminate or amend such covenants and agreements and defined terms or release of the Issuer with respect thereto as incorporated by reference herein without the prior written consent of the Bank. Notwithstanding any termination or expiration of any such Related Document, the Issuer shall, unless such Related Document has terminated in accordance with its terms and has been replaced by a new Related Document, continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

(ii) The Issuer shall not amend or modify, or permit to be amended or modified, any of the Related Documents (as and to the extent the Issuer’s participation is required for such purpose) in a manner relating to the Bank’s obligations or rights under this Agreement or having a material adverse effect on the ability of the Issuer to pay when due the principal of or interest on the Bonds or to make payments due hereunder or the security or rights or remedies of the Bank hereunder or under any such Related Document, without the prior written consent of the Bank.

(n) *Liens, Etc.* The Issuer shall not create or suffer to exist any Lien upon or with respect to the Net Pledged Revenues, including, without limitation, any of the funds or accounts created under the Ordinance, except those Liens permitted under the Ordinance.

(o) *Remarketing Agent.* The Issuer shall at all times maintain a Remarketing Agent, Paying Agent and Tender Agent under the Ordinance and if the Remarketing Agent fails to remarket Bonds for thirty (30) consecutive days or otherwise shall fail to perform its duties as set forth in the Remarketing Agreement, then the Issuer agrees, at the written request of the Bank, to cause the Remarketing Agent to be replaced with a successor Remarketing Agent, with the consent of the Bank, which consent shall not be unreasonably withheld, conditioned or delayed. Any remarketing agreement with a successor Remarketing Agent shall provide that (a) such remarketing agent must give at least 60 days prior written notice to the Issuer, the Tender Agent and the Bank before resigning, (b) such remarketing agent shall use its best efforts to remarket the Bonds without regard to the Bank Rate (i.e., whether or not the rate to be borne by the Bonds is less than the Bank Rate), and (c) such remarketing agent shall offer the Bonds for remarketing at the maximum rate permitted under the Related Documents prior to such Bonds being tendered to the Bank for purchase pursuant to the terms hereof.

(p) *Financial Information.* The Issuer shall keep, or cause to be kept, proper books of records and accounts in which full, true and correct entries will be made of all dealings and transactions of or in relation to affairs, operations, transactions and activities of the Utilities in accordance with generally accepted accounting principles (as modified by applicable governmental auditing and accounting standards), consistently applied, and will furnish or cause to be furnished to the Bank the following (in such number of copies as the Bank may reasonably request):

(i) As soon as available and in any event within two hundred and seventy (270) days after the close of each Fiscal Year of the Utilities:

(A) audited financial statements of the Utilities, which shall be prepared and reported on without qualification by Baker Tilly Virchow Krause, LLP or a firm of independent certified public accountants acceptable to the Bank (whose acceptance shall not be unreasonably withheld) in accordance with generally accepted accounting principles (as modified by applicable governmental auditing and accounting standards) consistently applied, and shall fairly present the financial condition of the Utilities at the end of such Fiscal Year; and

(B) a certificate signed by an Authorized Officer of the Issuer (i) stating that the Issuer has made a review of the activities during the preceding annual period for the purpose of determining whether or not the Issuer has complied with all of the terms, provisions and conditions of this Agreement, the Ordinance and the other Related Documents to which the Issuer is a party, (ii) stating that to the best of his or her knowledge, the Issuer has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Agreement, the Ordinance and the other Related Documents to which it is a party and (iii) stating that no Event of Default or Default has occurred, or if such Event

of Default or Default has occurred, specifying the nature of such Event of Default or Default, the period of its existence, the nature and status thereof and any remedial steps taken or proposed to correct such Event of Default or Default.

(ii) Within thirty (30) days following its receipt thereof, copies of any letter or report, including the annual management report, with respect to the management, operations or properties of the Utilities submitted to it by its accountants in connection with any annual or interim audit of the accounts of the Utilities;

(iii) Within thirty (30) days after the commencement of each Fiscal Year (or as soon as possible thereafter), a copy of the budget of the Utilities for such Fiscal Year; and

(iv) Such other information respecting the operations and properties, financial or otherwise, of the Utilities as the Bank may from time to time reasonably request.

(q) *Maintenance of Approvals; Filings, Etc.* The Issuer shall at all times maintain, or cause to be maintained, in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation, except such consents, licenses, approvals or authorizations as to which the failure to so maintain, renew or comply could not reasonably be expected to have a material adverse effect with respect to the Bonds, the security for the Bonds, or the ability to repay, when due, the obligations of the Issuer under this Agreement, any of the Bonds or any of the other Related Documents.

(r) *Payment of Liabilities and Taxes.* The Issuer will pay, or cause to be paid, or otherwise satisfied, all of its material indebtedness and obligations secured by the Net Pledged Revenues promptly (including, without limitation, amounts payable by the Issuer under this Agreement and the Related Documents to which it is a party) and all taxes, assessments and governmental charges and levies with respect to the System other than those whose validity is being contested in good faith in appropriate proceedings and for which adequate reserves have been established in accordance with generally accepted accounting principles (as modified by applicable governmental auditing and accounting standards) or where the failure to do so will not have a Material adverse effect on the Issuer.

(s) *Interest on Bonds.* The Issuer shall not take any action or allow any action to be taken that is within its power and control, after the Effective Date, which would cause interest on the Bonds to be included in gross income of the recipient thereof for federal income tax purposes.

(t) *Further Assurances.* The Issuer shall, upon the request of the Bank, from time to time, execute and deliver such documents and instruments and take such further action as may be reasonably necessary to effectuate the provisions of this Agreement and the Related Documents. Except to the extent it is exempt therefrom, the Issuer will pay or cause to be paid all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and

charges arising out of or in connection with the execution and delivery of this Agreement, the Related Documents and such instruments of further assurance.

(u) *Maintenance of Existence; Mergers.* Subject to any legislation which may be enacted into law in the State or the Congress of the United States subsequent to the Effective Date, the Issuer (i) will preserve and maintain its existence, rights (charter and statutory), franchises and licenses, if the failure to preserve and maintain any of the foregoing could reasonably be expected to have a materially adverse effect on its obligations hereunder and under the other Related Documents, and (ii) will not, without the prior written consent of the Bank, (A) merge or consolidate with any other organization nor (B) sell, lease or transfer all or substantially all of its property to any Person, or turn over the management or operation of any substantial part of the System to any other Person, except as otherwise provided in the Ordinance.

(v) *Insurance.* The Issuer shall at all times maintain insurance with respect to the business, operations and properties of the Utilities against such risks, in such amounts, with such companies and with such deductibles as is customary for municipal utilities of like size, location and character to those of the Utilities.

(w) *Disclosure by Bank.* The Issuer agrees to permit the Bank to disclose any information received by the Bank in connection herewith, including, without limitation, the financial information of the Utilities described in Section 6.01(p) hereof, to any Participants and auditors or governmental officials conducting a review of the Bank's books and records.

(x) *Observance of Federal Reserve Regulations.* No proceeds from moneys received hereunder shall be used by the Issuer in violation of Regulation U, as amended, promulgated by the Board of Governors of the Federal Reserve System.

(y) *Accounting.* The Issuer shall not change its method of accounting or the times of commencement or termination of Fiscal Years or other accounting periods without first disclosing in writing such change to the Bank.

(z) *ERISA.* The Issuer will comply in all material respects with Title IV of ERISA, to the extent applicable.

(aa) *Financial Products Agreements.* The Issuer shall use its best efforts to enter into all future Financial Products Agreements with respect to Bonds issued pursuant to the Ordinance with swap counterparties rated "AA-" or higher by at least one rating agency. In no event shall any swap counterparty providing a Financial Products Agreement with respect to Bonds issued pursuant to the Ordinance be rated lower than "A+" (or its equivalent) by at least one rating agency, without the prior written consent of the Bank, at the time of entering into such swap. The Issuer shall not allow any Lien on the Net Pledged Revenues securing any termination payment under any Financial Products Agreement to be senior to or on parity with the payment of the Bonds or Bank Bonds.

(bb) *Issuance of Additional Parity Bonds.* The Issuer agrees to comply with Article IX of the Ordinance with respect to the issuance of additional Parity Bonds and other securities secured by the Net Pledged Revenues throughout the term of this Agreement.

(cc) *Preservation of Liens.* The Issuer shall take all necessary action to maintain and preserve the Lien on the Net Pledged Revenues and the Funds to secure the Bank Bonds, all other amounts owing to the Bank hereunder and the Bonds on a parity with the Parity Bonds and Parity Credit Facility Obligations.

(dd) *Issuance of Additional Revenues Secured Debt.* The Issuer shall issue additional Revenues Secured Debt or any other Debt secured by a lien on or payable from Net Pledged Revenues only as permitted by the Ordinance; provided, in accordance with Section 5.16(b), no First Lien Debt shall be issued by the Issuer without the prior written consent of the Bank.

(ee) *Ordinance a Contract.* The provisions of the Ordinance constitute a contract between the Issuer and the owner or owners of the Bonds and the Bank, and any such owner or owners, or the Bank may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the Issuer arising under the Ordinance.

(ff) *Acceleration.* In the event that the Issuer shall, directly or indirectly, enter into or otherwise consent to any credit agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) under which, directly or indirectly, any Person or Persons undertakes to make loans or extend credit or liquidity to the Issuer in connection with any Revenues Secured Debt or any other Debt secured by a lien on or payable from Net Pledged Revenues of the Issuer or provide credit enhancement with respect thereto, which includes the right to accelerate the payment of the principal of or interest on any Revenues Secured Debt or any other Debt secured by a lien on or payable from Net Pledged Revenues of the Issuer or the right to cause an acceleration of any Revenues Secured Debt or any other Debt secured by a lien on or payable from Net Pledged Revenues, or to otherwise declare the principal of and interest on any Revenues Secured Debt or any other Debt secured by a lien on or payable from Net Pledged Revenues to be immediately due and payable, prior to its maturity, then the Bank shall have the right, upon the occurrence of an Event of Default, to the extent acceleration is provided for in the Ordinance, to declare all Obligations (including, without limitation, the principal and interest on Bank Bonds), to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Issuer. In no event shall such right to accelerate as herein provided result in any modification of the Immediate Termination Events or Suspension Events as provided in Article VIII hereof.

(gg) *Sanctions.* The Issuer will not directly or indirectly, use any proceeds from the remarketing of the Bonds, or lend, contribute or otherwise make available such proceeds to any Person, to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person of Sanctions.

(hh) *Underlying Rating.* The Issuer shall at all times maintain a rating on its long-term unenhanced Parity Debt from at least two Rating Agencies. The Issuer covenants and agrees that it shall not, at any time, take action to withdraw any long-term unenhanced rating on its Parity Debt from any Rating Agency if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement. The Issuer at its own expense shall at all times maintain a long-term, unenhanced rating of at least Investment Grade on the Bank Bonds.

Section 6.02. Covenant of the Tender Agent and Paying Agent. The Paying Agent and Tender Agent agree that, notwithstanding anything to the contrary in the Ordinance, it shall not exercise any rights it may have to pay itself any compensation then due and payable pursuant to the Ordinance from any moneys advanced pursuant to this Agreement.

ARTICLE VII

CONDITIONS PRECEDENT TO BANK'S OBLIGATION TO PURCHASE ELIGIBLE BONDS AND TERM OUT FUNDING

Section 7.01. Conditions Precedent to Purchase and Term Out Funding.

(a) *Conditions Precedent to Purchase.* The obligation of the Bank to purchase Bonds on any date is subject to the satisfaction of the following conditions, unless waived in writing by the Bank:

(i) *No Immediate Termination Event or Suspension Event.* No Immediate Termination Event shall have occurred and no Suspension Event shall have occurred and be continuing; and

(ii) *Notice of Bank Purchase.* The Bank shall have timely received the applicable Notice of Bank Purchase as provided in Section 2.02(a); *provided* that, if a Notice of Bank Purchase is not received in a timely manner, the Bank will be obligated to purchase Eligible Bonds on the Business Day following receipt thereof.

Each notification delivered pursuant to Section 7.01(a)(ii) shall constitute a representation and warranty by the Issuer on each Purchase Date that the condition described in Section 7.01(a)(i) has been satisfied on such Purchase Date.

(b) *Conditions Precedent to Term Out Funding.* The obligation of the Bank to provide Term Out Funding on any Term Out Commencement Date shall be subject to no Default or Event of Default having occurred and be continuing on such Term Out Commencement Date and the representations and warranties of the Issuer set forth in Article V hereof being true and correct and deemed made as of such Term Out Commencement Date, except to the extent such representations and warranties expressly refer to an earlier date in which case such representations and warranties shall be true and correct as of such earlier date.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

The occurrence of any of the following events set forth in Sections 8.01 and 8.02 shall constitute an event of default (each, an “*Event of Default*”):

Section 8.01. Events of Default not Permitting Immediate Termination or Suspension.

(a) The Issuer shall fail to pay when due any amounts payable under this Agreement (other than those described in Section 8.02(c) hereof), including, without limitation, any Obligation due pursuant to this Agreement, the Fee Agreement or the other Bank Agreements and any amounts payable in connection with the Bonds or any Parity Bonds (other than those described in Section 8.02(c) hereof).

(b) Any representation or warranty made by or on behalf of the Issuer in this Agreement, any other Bank Agreement or in any Related Document or in any certificate or statement delivered hereunder or thereunder shall prove to have been incorrect or untrue in any material respect when made or deemed to have been made.

(c) The Issuer shall fail to perform or observe any term, covenant or agreement: (i) contained in Section 6.01(a), (d)(i), (e), (f), (g), (h)(ii), (j), (k), (l), (m)(ii), (n), (o), (y), (aa), (bb), (dd), (ff) or (hh) of this Agreement; or (ii) contained in any other Section of this Agreement (other than those described in any other paragraph of this Section 8.01 or in Section 8.02 of this Agreement) or any Related Document on its part to be performed or observed, which failure under such other Section or Related Document continues for thirty (30) days or more.

(d) The long-term rating by Moody’s, S&P or Fitch of the Bonds or any unenhanced Parity Debt is withdrawn or suspended or is reduced below “A3” (or its equivalent) or “A-” (or its equivalent) or “A-” (or its equivalent), respectively.

(e) Any “event of default” under, and as defined in, any of the Related Documents shall occur if such event of default would allow for, or has resulted in, acceleration of the amounts due thereunder.

(f) (i) Any Governmental Authority having appropriate jurisdiction over the Issuer shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree that contests any material provision of this Agreement, the Bonds or the Ordinance (other than any such provision described in Section 8.02(b)(i) hereof), or (ii) any material provision of this Agreement, the Fee Agreement, the Bonds or the Ordinance, other than any such provision described in Section 8.02(b)(i) hereof shall at any time for any reason cease to be valid and binding on the Issuer, or shall be declared in a final non-appealable judgment by any court having jurisdiction over the Issuer to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the Issuer or by an authorized officer of the Issuer.

(g) (i) Any Governmental Authority having appropriate jurisdiction over the Issuer shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree that contests any provision of this Agreement, the Bonds or the Ordinance related to the payment of principal or interest on Bonds or Bank Bonds or the pledge of and lien on the Net Pledged Revenues or (ii) any material provision of this Agreement, the Fee Agreement, the Bonds or the Ordinance, other than a provision described in clause (i) of this Section 8.01(g) shall at any time for any reason cease to be valid and binding on the Issuer, or shall be declared in a final non-appealable judgment by any court having jurisdiction over the Issuer to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the Issuer or by an authorized officer of the Issuer.

(h) (i) Any principal or any payment with respect of any Debt of the Issuer, in an aggregate amount not less than \$10,000,000, which is secured by a pledge of and Lien on all or any portion of the Net Pledged Revenues, or any interest or premium on such Debt, shall not be paid when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), subject to the expiration of any applicable grace or cure period (it being understood by the Bank that default, for purposes of this paragraph (h), shall not mean a situation in which the Issuer contests in good faith its liability with respect to such Debt) or, (ii) the occurrence of any event under any ordinance, resolution, instrument or agreement giving rise to any Debt secured by a pledge of and Lien on all or any portion of the Net Pledged Revenues, which results in or would entitle the obligee thereof or a trustee on behalf of such obligee to declare the acceleration of any maturity thereof, or upon the lapse of time or the giving of notice or both would entitle the obligee thereof or a trustee on behalf of such obligee to accelerate any maturity thereof, or which results in the forfeiture by the Issuer of any of its rights under any such ordinance, resolution, instrument or agreement.

Section 8.02. Events of Default Permitting Immediate Termination or Suspension. (each an “Immediate Termination Event”).

(a) An Event of Insolvency with respect to the Issuer shall have occurred.

(b) (i) Any provision of this Agreement, the Bonds or the Ordinance related to the payment of (x) principal of or interest on Bonds or Bank Bonds or (y) the pledge of the Net Pledged Revenues therefor or the lien of the Net Pledged Revenues thereon shall at any time for any reason cease to be valid and binding on or fully enforceable against the Issuer as determined by any court or Governmental Authority having appropriate jurisdiction over the Issuer in a final non-appealable judgment, or (ii) the validity or enforceability of any provision of this Agreement, the Bonds or the Ordinance related to the payment of principal or interest on Bonds or Bank Bonds or the pledge of and lien on the Net Pledged Revenues shall be contested by the Issuer, or (iii) the Issuer shall repudiate that it has any or further liability or obligation under (x) all of this Agreement, the Bonds or the Ordinance or (y) any provision of this Agreement, the Bonds or the Ordinance related to the payment of principal or interest on Bonds or Bank Bonds or the pledge of and lien on the Net Pledged Revenues.

(c) Any principal of or interest on any Bond (including any Bank Bond other than as a result of the acceleration of the payment of a Bank Bond due to the occurrence of an Event of

Default hereunder if permitted hereunder and/or under the Ordinance) is not paid when due (whether by scheduled maturity, principal prepayment, redemption or otherwise).

(d) The Issuer shall fail to pay when due (whether by scheduled maturity, required prepayment, redemption or otherwise) any Parity Debt (other than a failure to pay (1) any amount described in clause (v) of the definition of "Debt" which has been accelerated pursuant to the terms of the applicable agreement and (2) any swap termination payment in the case of obligations arising under or pursuant to any Financial Products Agreement as described in clause (ix) of the definition of "Debt"), or any interest or premium thereon, and such failure shall continue beyond any applicable grace period specified in any resolution, indenture, agreement, contract or instrument pursuant to which such Parity Debt has been issued, or pursuant to the provisions of such resolution, indenture, agreement, contract or instrument the maturity of such Parity Debt, as a result of a payment default with respect thereto, shall have been accelerated or required to be repaid prior to the stated maturity thereof.

(e) The long-term ratings (without regard to bond insurance or other credit enhancement) assigned to any of the Bonds or any Parity Debt by S&P, Moody's and Fitch (in each case, to the extent then rating the Bonds or any Parity Debt) shall be suspended, withdrawn or reduced below Investment Grade (but excluding any withdrawal or suspension of any such rating if S&P, Fitch or Moody's, as applicable, stipulates in writing that the rating action is being taken for non-credit related reasons).

(f) A final, nonappealable judgment or order for the payment of money in excess of \$10,000,000 shall be rendered against the Issuer with respect to the Utilities which, in the opinion of the Bank, adequate cash reserves have not been established or adequate insurance does not exist, and such judgment(s) or order(s) shall continue unsatisfied and unstayed for a period of sixty (60) days.

Section 8.03. Remedies. Upon the occurrence of an Event of Default hereunder, the following shall occur or the Bank may take one or more of the following actions, as applicable:

(a) In the case of an Event of Default as specified in Section 8.02(b)(ii) hereof, the obligation of the Bank to purchase Eligible Bonds under this Agreement shall be immediately suspended without notice or demand and, thereafter, the Bank shall be under no obligation to purchase Eligible Bonds until the Available Commitment is reinstated as described below. Promptly upon the occurrence of any such Event of Default, the Bank shall notify the Issuer, the Tender Agent and the Remarketing Agent of such suspension in writing by facsimile, promptly confirmed by regular mail; *provided*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way effect the suspension of the Available Commitment and of the Bank's obligation to purchase Eligible Bonds pursuant to this Agreement. If a court with jurisdiction to rule on the validity of any one of the documents referred to in Section 8.02(b)(ii) hereof shall find or rule by entry of a final and nonappealable judgment that any of such documents is not valid or not binding on the Issuer by entry of a final and nonappealable judgment to such effect, then the Available Commitment and the obligation of the Bank to purchase Eligible Bonds shall immediately terminate without notice or demand and, thereafter, the Bank shall be under no obligation to purchase Eligible Bonds. If a

court with jurisdiction to rule on the validity of any one of the documents referred to in Section 8.02(b)(ii) hereof shall find or rule by entry of a final and nonappealable judgment that such document that is the subject of such Event of Default is valid and binding on the Issuer then the Available Commitment and the obligations of the Bank under this Agreement shall thereupon be reinstated (unless the Purchase Period shall otherwise have expired or terminated or the Available Commitment shall otherwise have been terminated or suspended as provided in this Agreement). Notwithstanding the foregoing, if the Expiration Date has occurred and litigation is still pending and a judgment regarding the validity of any one of the documents referred to in Section 8.02(b)(ii) hereof has not been obtained, then the Available Commitment and the obligation of the Bank to purchase Eligible Bonds shall, at such time, terminate without notice or demand and, thereafter, the Bank shall be under no obligation to purchase Eligible Bonds. The Tender Agent shall immediately notify all Bondholders of the suspension and/or termination of the Available Commitment and the obligation of the Bank to purchase Eligible Bonds.

(b) In the case of any Event of Default specified in Section 8.02(a), (b)(i), ~~(b)(ii),~~ (b)(iii), (c) (but only as long as the Event of Default did not result solely from an acceleration of Bonds by the Bank pursuant to the terms of another standby bond purchase agreement), (d), (e) or (f) hereof, the Available Commitment shall immediately be reduced to zero, in which case the obligations of the Bank to purchase Eligible Bonds shall immediately terminate without notice or demand and, thereafter, the Bank shall be under no obligation to purchase Eligible Bonds. Promptly upon such Event of Default, the Bank shall give written notice of same to the Tender Agent, the Issuer and the Remarketing Agent; *provided*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such notice, and such failure shall in no way effect the termination of the Available Commitment and of the obligations of the Bank to purchase Eligible Bonds pursuant to this Agreement. The Tender Agent shall immediately notify all Bondholders of the termination of the Available Commitment and the obligation of the Bank to purchase the Eligible Bonds.

(c) In the case of a Default specified in Section 8.02(a) hereof, the obligation of the Bank to purchase Eligible Bonds under this Agreement shall be immediately suspended without notice or demand and the Bank shall be under no obligation to purchase Eligible Bonds until the proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated prior to such Default becoming an Event of Default, the obligations of the Bank to purchase Eligible Bonds hereunder shall be reinstated and the terms of this Agreement will continue in full force and effect (unless the obligations of the Bank to purchase Eligible Bonds hereunder shall have otherwise terminated in accordance with the terms hereof) as if there had been no such suspension.

(d) In the case of any Event of Default, the Bank may give written notice in the form of Exhibit B attached hereto of such Event of Default to the Issuer, the Tender Agent and Remarketing Agent stating that an Event of Default has occurred hereunder and directing that the Bonds be called for mandatory tender (a “*Default Tender*”) on a date at least three (3) Business Days but not more than fourteen (14) days following receipt of such notice by the Tender Agent; *provided* that if such date is not a Business Day, the date of such Default Tender shall be the immediately succeeding Business Day. If the Bank shall have purchased all of the Eligible Bonds pursuant to such Default Tender, the Bank may, by notice to the Tender Agent,

substantially in the form of Exhibit E hereto, terminate the Available Commitment hereunder on a date no earlier than five (5) Business Days following such Default Tender, and, thereafter, the Bank shall be under no further obligation hereunder to purchase Eligible Bonds.

(e) Upon the occurrence of any Event of Default as specified in any provision of this Article VIII, the Bank may take any other action or remedies available to it under this Agreement, the Related Documents or otherwise pursuant to law or equity in order to enforce the rights of the Bank hereunder, under the Related Documents or otherwise; *provided, however*, that the Bank shall not have the right to terminate its obligation to purchase Eligible Bonds, to declare any amount due hereunder due and payable, or to accelerate the maturity date of any Bonds except as provided herein and in the Ordinance. Notwithstanding the restrictions set forth in the Ordinance regarding limitations on the remedies that individual owners of Bonds may pursue upon the occurrence of an “event of default” described in the Ordinance, the Bank may fully and freely exercise any and all of the remedies described in this Section 8.03 upon the occurrence of an Event of Default hereunder subject to the proviso set forth in the immediately preceding sentence.

(f) Upon the occurrence of any Event of Default hereunder, all Obligations due and payable hereunder shall bear interest at the Default Rate, payable upon demand.

(g) The remedies provided in Sections 8.03(a), (b), (c), (d), (e) and (f) hereof shall only be exclusive with respect to such Events of Default to the extent they are obtained by the Bank. If, for any reason whatsoever, the Bank is not able to obtain all such remedies, then the Bank hereby reserves the right to pursue any other available remedies as provided hereunder, whether provided by law, in equity or under this Agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Obligations Absolute. The obligations of the Issuer under this Agreement shall be absolute, unconditional and irrevocable and shall be paid or performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

(a) to the extent permitted by applicable law, any lack of validity or enforceability of this Agreement or any Related Document or any other agreement or instrument delivered in connection herewith or therewith;

(b) any amendment to, waiver of, consent to or departure from the terms of any of the Related Documents;

(c) the existence of any claim, set-off, defense or other right that the Issuer may have at any time against the State, the Tender Agent, the Paying Agent, the

Remarketing Agent, the Bank or any other Person, whether in connection with this Agreement, the Related Documents or otherwise;

(d) any statement or any other document presented under this Agreement or any of the Related Documents proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) the purchase of a Bank Bond after the delivery of a Notice of Bank Purchase that does not comply with the terms of this Agreement; or

(f) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing.

Section 9.02. Liability of the Bank. With respect to the Bank, the Issuer assumes all risks of the acts or omissions of each of the Remarketing Agent, the Paying Agent, the Tender Agent and their agents in respect of their use of this Agreement or any amounts made available by the Bank hereunder. The Bank shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Tender Agent which results in the failure of the Tender Agent to effect the purchase of Eligible Bonds for the account of the Bank with funds provided by the Bank pursuant to Section 2.02 hereof or to comply with the applicable provisions of the Ordinance. Neither the Bank nor any of its officers or directors shall be liable or responsible for: (a) the use which may be made of this Agreement or any amounts made available by the Bank hereunder or for any acts or omissions of the Tender Agent or the Remarketing Agent or their agents in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (c) any other circumstances whatsoever in making or failing to make payment under this Agreement, except only that the Issuer shall have a claim against the Bank, and the Bank shall be liable to the Issuer to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the Issuer which the Issuer proves were caused by the Bank's gross negligence or willful failure to make payment under this Agreement in accordance with the terms hereof.

Section 9.03. Costs and Expenses; Indemnification. (a) To the extent specifically authorized by law, the Issuer agrees to indemnify the Bank (the "Indemnitee") from and against any and all claims, damages, losses, liabilities and reasonable costs or expenses (including, without limitation, reasonable attorney's fees and expenses) whatsoever which the Bank may incur (or which may be claimed against the Bank by any Person or entity whatsoever) by reason of or in connection with (i) the offering, sale, remarketing or resale: of the Bonds including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Related Documents; (ii) the validity, sufficiency or genuineness of the Related Documents; or (iii) the execution and delivery of this Agreement, or the making or the failure to make purchases of Bonds under this Agreement, provided that the Issuer shall not be required to indemnify the Bank for any losses, claims, damages, liabilities, costs and expenses to the extent that there has been a final, nonappealable determination by a court of competent jurisdiction that such losses, claims, damages, liabilities,

costs and expenses were caused by the willful misconduct or gross negligence of the Bank or are attributable to information in the Official Statement concerning the Bank provided by the Bank. The Bank shall promptly notify the City Attorney of the Issuer upon becoming aware of any claims or liabilities giving rise to a right under this Section 9.03 and shall cooperate with the Issuer in the defense of such claims or liabilities. Nothing in this Section 9.03 is intended nor shall be construed to limit the Issuer's obligations contained in other sections of this Agreement or with respect to the Bonds.

(b) *Payments.* All amounts due under this Section shall be payable not later than sixty (60) days after demand therefor.

(c) *Survival.* The agreements in this Section survive the termination of this Agreement and the repayment, satisfaction or discharge of all Obligations.

Section 9.04. Notice. (a) Unless otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto or referred to herein shall be deemed to have been given (i) in the case of notice by letter or overnight expedited delivery service, when delivered by hand, (ii) in the case of notice by telex, when sent, answerback received and (iii) in the case of notice by facsimile, upon confirmation of receipt, addressed to them as follows or at such other address as any of the parties hereto may designate by written notice to the other parties hereto and to the Remarketing Agent:

Issuer: Colorado Springs Utilities
121 South Tejon Street, Fifth Floor
Colorado Springs, Colorado 80947-0950
Attention: Tamela Monroe, Chief Planning and Finance Officer
Telephone: (719) 668-8136
Facsimile: (719) 668-3825

Tender Agent and
Paying Agent: Wells Fargo Bank, National Association
1740 Broadway, MAC C7300-107
Denver, CO 80274
Attention: Juliet Ward
Telephone: (303) 863-6480
Facsimile: (303) 863-5645

Remarketing Agent: J.P. Morgan Securities LLC
370 17th Street, Suite 3200
Denver, CO 80202
Telephone: (303) 607-7700
Facsimile: (303) 607-7765

Bank: As set forth in the Fee Agreement.

Section 9.05. Successors and Assigns. (a) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; *provided, however*, that the Issuer may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank and any assignment without such consent shall be void; *provided, further, however*, that, except for participations granted pursuant to and in compliance with Section 9.10 hereof and except for sales of Bank Bonds permitted by and in compliance with Section 2.04, the Bank may not assign or transfer any of its rights or obligations hereunder until each Rating Agency then rating the Bonds has confirmed in writing that such transfer or assignment shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Bonds (each, an “Assignee” and, collectively, the “Assignees”).

(b) The Bank may assign and pledge all or any portion of the obligations owing to it to any Federal Reserve Bank or the United States Treasury or to any state or local governmental entity or with respect to public deposits as collateral security including, without limitation, pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operation Circular issued by such Federal Reserve Bank or to any state or local government entity or with respect to public deposits; provided that any payment in respect of such assigned obligations made by the Issuer to the Bank in accordance with the terms of this Agreement shall satisfy the Issuer’s obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 9.06. Governing Law. THIS 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 RULES.

Section 9.07. No Waivers, Etc. Except in Writing. (a) No provision of this Agreement shall be waived, amended or supplemented except by a written instrument executed by the parties hereto.

(b) No failure or delay by the Bank, the Tender Agent, the Paying Agent or the Issuer in exercising any right, power or privilege hereunder, under the Related Documents or under the Bonds and no course of dealing between or among the Issuer, the Tender Agent, the Paying Agent and the Bank shall operate as a waiver hereof or thereof nor shall any single or partial exercise hereof or thereof preclude any other or further exercise hereof or thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies which the Bank or the Issuer would otherwise have.

Section 9.08. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Agreement and the Fee Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by email transmission with a pdf copy or other replicating image attached, 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 9.09. Use of Funds. The Bank agrees that all funds provided by the Bank hereunder will be paid from funds of the Bank and not directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, the Bank by the Issuer.

Section 9.10. Participations. The Bank shall have the right at any time to grant participations to any financial institution in all or any part of, or any interest (undivided or divided) in, the Bank's rights and benefits under this Agreement, any Bonds owned by it and the other Related Documents, without the consent of or notice to the Issuer or any other Person, and to the extent of that participation, such Participant shall, except as set forth in the following clause (ii), have the same rights and benefits against the Issuer hereunder as it would have had if such Participant were the Bank hereunder; *provided* that (i) no such participation shall affect the obligations of the Bank to purchase Bonds as herein provided; (ii) no Participant shall be entitled to receive payment hereunder of any amount greater than the amount which would have been payable had the Bank not granted a participation to such Participant; and (iii) the Issuer, the Tender Agent and the Paying Agent shall be required to deal only with the Bank with respect to any matters under this Agreement and no such Participant shall be entitled to enforce directly against the Issuer any provision hereunder. The Bank may disclose to any Participant or prospective participant any information or other data or material in the Bank's possession relating to this Agreement, any Related Document and the Issuer, without the consent of or notice to the Issuer.

Section 9.11. Submission to Jurisdiction; Waiver of Jury Trial; Venue. (a) THE ISSUER, THE TENDER AGENT AND THE BANK WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY ON ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY OTHER RELATED DOCUMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY HERETO OR ANY RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE ISSUER, THE TENDER AGENT AND THE BANK AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY OTHER DOCUMENT DELIVERED IN CONNECTION HERewith OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND ANY OTHER DOCUMENTS DELIVERED IN CONNECTION THEREWITH. NOTWITHSTANDING THE

FOREGOING, IN THE EVENT THE BANK IS NOT A PARTY TO ANY SUCH ACTION OR PROCEEDING, THE FOREGOING PROVISIONS SHALL NOT APPLY.

(b) THE ISSUER, THE TENDER AGENT AND THE BANK HEREBY IRREVOCABLY (i) AGREE THAT WITH RESPECT TO ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY BE BROUGHT IN ANY FEDERAL OR STATE COURT LOCATED IN THE CITY OF COLORADO SPRINGS, COLORADO OR THE CITY AND COUNTY OF DENVER, COLORADO AND CONSENT TO THE JURISDICTION OF SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING AND (ii) WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT OR THEY MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTWITHSTANDING THE FOREGOING, IN THE EVENT THE BANK IS NOT A PARTY TO ANY SUCH ACTION OR PROCEEDING, THE FOREGOING PROVISIONS SHALL NOT APPLY.

Section 9.12. Severability. Any provision of this Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or effecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 9.13. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not have any effect for purposes of interpretation or construction of the terms of this Agreement.

Section 9.14. Complete and Controlling Agreement. This Agreement and the Related Documents completely set forth the agreements among the Bank, the Tender Agent, the Paying Agent and the Issuer and fully supersede all prior agreements, both written and oral, among the Bank, the Tender Agent, the Paying Agent and the Issuer relating to all matters set forth herein and in the Related Documents. The terms and provisions of this Agreement may be amended or superseded only by a written instrument and no oral agreements, practices, standards or other extrinsic communications or facts shall have any bearing on the interpretation or enforcement of this Agreement or the Related Documents except as otherwise expressly agreed to in writing by the Bank and the Issuer.

Section 9.15. Reserved. Reserved.

Section 9.16. Payments Set Aside. To the extent that any payment by or on behalf of the Issuer is made to the Bank, and such payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential or required (including pursuant to any settlement entered into by the Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such repayment, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made. The agreements in this Section shall survive the payment in full of the Bank Bonds, the repayment, satisfaction or discharge of all other Obligations and the termination of this Agreement and the Fee Agreement.

Section 9.17. Survival. The obligations of the Issuer under Sections 2.06, 2.13, 2.14 and 9.03 hereof, including all indemnities set forth herein, shall survive the execution and delivery of this Agreement, the payment of the Bonds and the termination of the Available Commitment.

Section 9.18. Patriot Act. (a) The Bank hereby notifies the Issuer that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (as amended from time to time, the “*Patriot Act*”), it is required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Bank to identify the Issuer in accordance with the Patriot Act, and the Issuer hereby agrees to take any action reasonably necessary to enable the Bank to comply with the requirements of the Patriot Act.

(b) The Issuer shall (a) ensure that no officer of the Issuer is the subject of any sanctions administered or enforced by or will be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by, the Office of Foreign Assets Control (“*OFAC*”), the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the Issuer or from otherwise conducting business with the Issuer and (b) ensure that the proceeds of drawings under the Letter of Credit and Bond proceeds shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto.

Section 9.19. Assignment to Federal Reserve. (a) The Bank may assign and pledge all or any portion of the obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned obligations made by the Issuer to the Bank in accordance with the terms of this Agreement shall satisfy the Issuer’s obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 9.20. EMMA Postings . The Issuer shall not file or submit or permit the filing or submission, of all or any portion of any document (or any summary thereof) entered into in connection with this Agreement or the other Related Documents (or any default, event of acceleration, termination event, modification of terms or other similar events relating to the Bonds or this Agreement) with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (or any successor continuing disclosure vehicle) unless such document or portion thereof (or summary thereof), as applicable, to be so filed or submitted (i) has been provided to the Bank for review in advance of such filing or submission, and (ii) shall have been redacted to the extent reasonably required by the Bank, provided that such redaction may be no greater than permitted under applicable federal securities law guidance, if any. The Issuer acknowledges and agrees that although the Bank may request review, edits or redactions of such materials prior to filing, the Bank is not responsible for the Issuer’s (including, but not limited to, any broker-dealer’s) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure undertaking, similar agreement or applicable securities or other laws, including but not limited to those relating to SEC Rule 15c2-12.

Section 9.21. MSRB Rule G-34. In the event the Issuer delivers or permits, authorizes or consents to the delivery of this Agreement (including without limitation any amendments hereto) to the Remarketing Agent or any other Person for delivery to the Municipal Securities Rulemaking Board pursuant to Rule G-34 of the Municipal Securities Rulemaking Board (“*Rule G-34*”), the Issuer shall cooperate with the Bank to provide for the redaction of information permitted to be redacted under Rule G-34.

Upon reasonable written request from the Remarketing Agent or the Issuer, the Bank agrees to use commercially reasonable efforts to provide copies of amendments, extensions and modifications of this Agreement that the Remarketing Agent is required to file in accordance with Rule G-34(c), other than information which is permitted to be redacted in accordance with such Rule. Without the consent of the Bank, the Issuer will not make available the Fee Agreement for filing pursuant to Rule G-34(c).

Section 9.22. Acknowledgement Regarding Any Supported QFCs. To the extent that the Related Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, “*QFC Credit Support*”, and each such QFC, a “*Supported QFC*”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “*U.S. Special Resolution Regimes*”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Related Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “*Covered Party*”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Related Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Related Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 9.20, the following terms have the following meanings:

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*QFC*” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 9.23. No Advisory or Fiduciary Responsibility. The transaction described in this Agreement is an arm’s length, commercial transaction between the Issuer and the Bank in which: (i) the services regarding this Agreement provided by the Bank and any Affiliate thereof are arm’s-length commercial transactions between the Issuer, on the one hand, and the Bank and its Affiliates, on the other hand, and the Bank is acting solely as a principal (*i.e.*, as a lender) and for its own interest; (ii) the Bank is not acting as an advisor (municipal, financial or otherwise), agent or fiduciary, to the Issuer; (iii) the Bank has no fiduciary duty, including without limitation, pursuant to Section 15B of the Securities Exchange Act of 1934, to the Issuer with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Bank has to the Issuer with respect to this transaction are set forth in this Agreement and the Fee Agreement; (v) the Bank is not recommending that the Issuer take an action with respect to the transaction described in this Agreement and the other Related Documents, and before taking any action with respect to the this transaction, the Issuer should discuss the information contained herein with the Issuer’s own legal, accounting, tax, financial and other advisors, as the Issuer deem appropriate; (vi) the Issuer has consulted its municipal advisor as well as its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate and the Issuer is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the Related Documents; and (vii) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the Issuer.

[Remainder of page intentionally left blank;
execution page to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written. Signature of this Agreement by the Mayor is undertaken by him in his capacity as the head of the City government and as a ministerial function pursuant to Section 4-10 of the Charter of the City.

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

Utilities Chief Planning and Finance Officer

APPROVED AS TO FORM:

By: _____
City Attorney

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Tender Agent and Paying Agent

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A.

By: _____
Name: _____
Title: _____

EXHIBIT A

NOTICE OF BANK PURCHASE

The undersigned, a duly authorized officer of Wells Fargo Bank, National Association (the “*Tender Agent*”), hereby certifies to Bank of America, N.A. (the “*Bank*”), in accordance with the Standby Bond Purchase Agreement, dated as of _____, 2019 (the “*Standby 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, as Tender Agent and Paying Agent, and the Bank, relating to the Issuer’s **[Variable Rate Demand Utilities Improvement Revenue Bonds]**, Series 2005A (all capitalized terms herein having the meanings ascribed thereto in the Standby Agreement), that:

1. Eligible Bonds have been tendered or deemed tendered for purchase pursuant to Section _____ of the Ordinance.

2. To the Tender Agent’s actual knowledge, no Event of Default described in Section 8.02 of the Standby Agreement has occurred.

3. Insufficient remarketing proceeds are available for such purchase.

4. The Tender Agent hereby requests the payment of Purchase Price in the amount of \$ _____.

5. The portion of the Purchase Price requested hereby relating to the principal of the Eligible Bonds for which there is not sufficient moneys referred to above is \$ _____, which amount does not exceed the Available Principal Commitment, and the portion of the Purchase Price requested hereby relating to accrued interest on the Eligible Bonds for which there is not sufficient moneys referred to above is \$ _____, which amount does not exceed the Available Interest Commitment.

6. Upon completion of purchase, the Tender Agent will [register such Bonds, or if a Bond for which notice of tender for purchase has been given is not delivered, a new Bond issued in replacement of the undelivered Bond, in the name of the Bank or, if directed in writing by the Bank, its nominee or designee on the books maintained by the Tender Agent] *OR* [cause the beneficial ownership of such Bonds to be credited to the account of the Bank or, if directed in writing by the Bank, its nominee or designee with DTC and register such Bonds in the name of the Bank or its nominee or designee on the books maintained by the Tender Agent], and will promptly deliver such Bonds as the Bank may otherwise direct in writing, and prior to such delivery will hold such Bonds in trust for the benefit of the Bank.

7. The funds requested hereunder shall be transferred to the Tender Agent as follows:

Bank: _____
Address: _____
ABA#: _____
Account name or reference: _____

8. The Purchase Date is _____, _____.

IN WITNESS WHEREOF, the Tender Agent has executed and delivered this Notice of Bank Purchase as of the ____ day of _____, _____.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Tender Agent

By _____
Name _____
Title _____

EXHIBIT B

FORM OF DEFAULT NOTICE

[Date]

Wells Fargo Bank, National Association,
as Tender Agent

Attention: _____

City of Colorado Springs, Colorado
**[Variable Rate Demand Utilities System
Improvement Revenue Bonds]**
Series 2005A

Ladies and Gentlemen:

The undersigned, duly authorized officers of Bank of America, N.A. (the "*Bank*"), pursuant to Section 8.03 of the Standby Bond Purchase Agreement, dated as of _____, 2019 (the "*Agreement*"), among Wells Fargo Bank, National Association, as Tender Agent, City of Colorado Springs, Colorado, for and on behalf of Colorado Springs Utilities, an enterprise of the City and the Bank, hereby request you cause a mandatory tender of all Eligible Bonds pursuant to Section 505 of the Ordinance as described in Section 8.03(d) of the Agreement, and we hereby further notify you that an Event of Default (as defined in the Agreement) pursuant to Section 8.01 of the Agreement has occurred.

Sincerely,

BANK OF AMERICA, N.A.

By _____
Name _____
Title _____

cc: **[Remarketing Agent]**
[Address]

EXHIBIT C

FORM OF REQUEST FOR EXTENSION OF EXPIRATION DATE

[Date]

Bank of America, N.A.
at the address set forth in the Fee Agreement

Re: Request for Extension of Expiration Date

Ladies/Gentlemen:

Reference is hereby made to that certain Standby Bond Purchase Agreement, dated as of _____, 2019 (the "*Agreement*"), among 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, as tender agent (the "*Tender Agent*"), and Bank of America, N.A. (the "*Bank*"). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definitions set forth in the Agreement. The Issuer hereby requests, pursuant to Section 2.12 of the Agreement, that the Expiration Date be extended by [] days/[] year[s]. Pursuant to Section 2.12 of the Agreement, we have enclosed along with this request the following information:

1. The outstanding principal amount of the Bonds;
2. The nature of any and all Events of Default and all conditions, events and acts which with notice or lapse of time or both would become an Event of Default; and
3. Any other pertinent information previously requested by the Bank.

The Bank is required to notify the Tender Agent, the Issuer and the Remarketing Agent of its decision with respect to this request for extension within thirty (30) days of the date of receipt hereof. If the Bank fails to notify the Issuer of its decision within such 30-day period, the Bank shall be deemed to have rejected such request.

Very truly yours,

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

Utilities Chief Executive Officer

cc: Wells Fargo Bank, National Association, as Tender Agent

EXHIBIT D

NOTICE REGARDING EXTENSION

[Date]

Wells Fargo Bank, National Association,
as Tender Agent

Attention: _____

City of Colorado Springs, Colorado
121 South Tejon Street
Colorado Springs, Colorado 80947
Attention: Treasury Manager

Re: Standby Bond Purchase Agreement, dated as of _____, 2019 (the “*Agreement*”), among Bank of America, N.A. (the “*Bank*”), Wells Fargo Bank, National Association, as Tender Agent and Paying Agent, and City of Colorado Springs, Colorado (the “*Issuer*”) for and on behalf of Colorado Springs Utilities, an enterprise of the City

Ladies and Gentlemen:

The undersigned, duly authorized officers of the Bank, hereby advise you, with reference to the Agreement (any capitalized term used herein and not defined shall have its respective meaning as set forth in the Agreement), that: [**Complete as Appropriate*]:

1. At the request and for the account of the Issuer, we hereby extend the Expiration Date to [*indicate new date*].
2. Except as specifically provided in paragraph (1) above and hereinbelow, all of the terms and conditions of the Agreement remain unchanged and in full force and effect.
3. This Notice Regarding Extension is an integral part of the Agreement.
4. Additional terms regarding this extension are as follows: [*add text, as appropriate*].

OR

5. The Expiration Date will not be extended at this time.

IN WITNESS WHEREOF, the undersigned, on behalf of the Bank, has executed and delivered this Notice Regarding Extension as of the [] day of [].

BANK OF AMERICA, N.A.

By _____
Name _____
Title _____

cc: **[Remarketing Agent]**

EXHIBIT E

NOTICE OF TERMINATION

[Date]

Wells Fargo Bank, National Association,
as Tender Agent

Attention: _____

City of Colorado Springs, Colorado
**[Variable Rate Demand Utilities System
Improvement Revenue Bonds]**
Series 2005A

Ladies and Gentlemen:

The undersigned, duly authorized officers of Bank of America, N.A. (the “*Bank*”), pursuant to Section 8.03 of the Standby Bond Purchase Agreement, dated as of _____, 2019 (the “*Agreement*”), among Wells Fargo Bank, National Association, as Tender Agent and Paying Agent, City of Colorado Springs, Colorado, for and on behalf of Colorado Springs Utilities, an enterprise of the City and the Bank, hereby notifies you that the Bank has purchased all Eligible Bonds following the mandatory tender thereof pursuant to Section 505 of the Ordinance as described in Section 8.03(d) of the Agreement. Effective upon your receipt of this Notice of Termination, the Agreement shall be terminated.

Sincerely,

BANK OF AMERICA, N.A.

By _____
Name _____
Title _____

cc: **[Remarketing Agent]**
City of Colorado Springs, Colorado