

ORIGINAL ORDINANCE NO. 1887

INTRODUCED BY: Shumway

ENROLLED ORDINANCE NO. 1653

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF LARAMIE, WYOMING, OF ITS WATER REVENUE BOND, SERIES 2013, DATED DECEMBER 11, 2013, IN THE PRINCIPAL AMOUNT OF \$1,072,000, FOR THE PURPOSE OF PAYING PART OF THE COST OF EXTENDING AND IMPROVING THE MUNICIPAL WATERWORKS SYSTEM OF THE CITY; PRESCRIBING THE FORM OF SAID BOND; PROVIDING FOR THE PLEDGE OF REVENUES TO PAY THE PRINCIPAL AND INTEREST THEREON; RATIFYING, APPROVING AND CONFIRMING PREVIOUS ACTIONS OF CITY OFFICIALS AND MEMBERS OF THE GOVERNING BODY OF THE CITY; AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the governing body (the "Governing Body") of the City of Laramie, Wyoming (the "City") has determined that it is necessary to extend and improve the municipal waterworks system of the City pursuant to the provisions of Wyo. Stat. §15-7-101(a)(ii) and (iii) (the "Project"); and

WHEREAS, the estimated cost of such Project is the amount of \$3,489,000 and it is anticipated that the cost thereof will be paid by a loan from USDA Rural Development, an agency of the United States Department of Agriculture (hereinafter "RD") in the amount of \$1,072,000; a grant from RD in the amount of \$340,000; and a grant from the Wyoming Water Development Commission (hereinafter "WWDC") in the amount of \$2,077,000; and

WHEREAS, the loan from RD is in a principal amount that does not exceed the greater of (i) \$5,000,000 or (ii) an amount calculated by multiplying the number of individuals to be served by the municipal waterworks system times \$1,200, and will be payable solely from revenues generated by the municipal waterworks system of the City and the security for the loan will be restricted to a claim on said revenues, and no approval of the electors of the City is required pursuant to Wyo. Stat. §§15-7-102(c) and 15-1-103(d); and

WHEREAS, to effect the loan from RD, the Governing Body has determined to issue and sell its revenue bond, at private sale, without advertisement, for not less than par and accrued interest; and

WHEREAS, the City has now received from RD (the "Purchaser") an offer to purchase the City's water revenue bond in the principal amount of \$1,072,000, at private sale, in accordance with its "sophisticated investor" letter dated November 19, 2013 (the "Investment Letter"), and the Governing Body has determined that this proposal is in the best interests of the City; and

WHEREAS, the Governing Body has now determined to authorize the sale of the bond to the Purchaser and the further issuance of said bond pursuant to the provisions of Title 15, Chapter 7, Wyo. Stat. (the "Act") and it is necessary to provide for the form of the bond and other details concerning its issuance;

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LARAMIE, WYOMING, THAT:

Section 1. Authorization. For the purpose of paying part of the cost of the Project, and to pay the costs and expenses of such procedures, the City shall issue its “Water Revenue Bond, Series 2013,” in the principal amount of \$1,072,000, dated December 11, 2013 (the “Bond” or the “Series 2013 Bond”), and said Bond shall be, and the same is, hereby sold to the Purchaser, subject only to review and approval of bond counsel. The firm of Freudenthal & Bonds, P.C., of Cheyenne, Wyoming, is hereby designated to act as bond counsel for said issue.

Section 2. Bond Details. The Bond shall be issued only as a fully registered Bond without coupons, in the principal amount of \$1,072,000, registered in the name of the United States of America Acting Through the Department of Agriculture, Registered Owner, with a schedule attached thereto showing the maturity of installments of principal. Unless the City shall otherwise direct, the registered Bond shall be numbered R-001.

The Bond shall bear interest from date to maturity at the rate of three and one-quarter percent (3.25%) per annum, payable annually on December 11 (the “Payment Date”), commencing December 11, 2014, and principal of the Bond shall mature on said Payment Date each year in the installments set forth below:

<u>Principal Amount</u>	<u>Payment Date (December 11)</u>
\$ 22,000	2014
22,000	2015
23,000	2016
24,000	2017
24,000	2018
25,000	2019
26,000	2020
27,000	2021
28,000	2022
29,000	2023
30,000	2024
31,000	2025
32,000	2026
33,000	2027
34,000	2028
35,000	2029
36,000	2030
37,000	2031
38,000	2032
40,000	2033
41,000	2034
42,000	2035
44,000	2036
45,000	2037
47,000	2038
48,000	2039
50,000	2040
51,000	2041
53,000	2042
55,000	2043

Upon payment of any maturing principal or any partial redemption of the Bond, the Registered Owner, in its discretion, may request the City and the Bond Registrar to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of payment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment.

Section 3. Payment of Bond; Paying Agent and Bond Registrar. The final principal installment of and final interest on the Bond are payable in lawful money of the United States of America to the Registered Owner of the Bond upon presentation to the City Treasurer, or his/her successor, as paying agent and bond registrar (the "Paying Agent" or the "Bond Registrar"). If any installment of principal of the Bond is not paid at or after maturity, it will continue to draw interest at the rate borne by such Bond until the principal is paid in full. Notwithstanding anything contained in this Ordinance to the contrary, interest on the Bond is payable to the person in whose name such Bond is registered, at his or her address as it appears on the registration books maintained by or on behalf of the City by the Bond Registrar, at the close of business on the last day (whether or not a business day) of the calendar month next preceding each Payment Date (the "Record Date"), irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Payment Date. Such payment shall be paid by check or draft of the Paying Agent mailed on the Payment Date (or, if such Payment Date is not a business day, on the next succeeding business day) to such Registered Owner at his or her address as it appears on such registration books. Any such interest not so timely paid or duly provided for will cease to be payable to the person who is the Registered Owner thereof at the close of business on the regular Record Date and will be payable to the person who is the Registered Owner thereof at the close of business on a Special Record Date. Such Special Record Date will be fixed by the Bond Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date will be given by first class mail not less than ten (10) days prior to the Special Record Date to each Registered Owner as shown on the Bond Registrar's books on a date selected by the Bond Registrar. Alternate means of payment of interest may be used if mutually agreed to between the Registered Owner of the Bond and the Paying Agent.

Because the Bond is owned by the United States of America, payment of principal and interest will be made by the Paying Agent directly to the United States of America, c/o USDA/Rural Development, using such wire instructions as shall be provided by RD.

Section 4. Prior Redemption of the Bond.

Optional Redemption

Installments of principal of the Bond maturing on and after December 11, 2023, are subject to redemption prior to maturity, at the option of the City, as a whole or in part, in integral multiples of \$1,000, in inverse order of their respective maturities and by lot within a maturity, on December 11, 2022, and on any Payment Date thereafter, at the redemption price of par and accrued interest to the date

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

IN TESTIMONY WHEREOF, the Governing Body of the City of Laramie, Wyoming, has caused this Bond to be signed by the manual signature of the Mayor, sealed with a manual impression of the seal of the City, and countersigned and attested with the manual signature of the City Clerk, all as of the 11th day of December, 2013.

(S E A L)

CITY OF LARAMIE, WYOMING

(Manual Signature)
Mayor

COUNTERSIGNED AND ATTESTED:

(Manual Signature)
City Clerk

(Form of Bond Registrar's Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This Bond is the Series 2013 Bond described in the within mentioned Bond Ordinance. Attached hereto is the complete text of the opinion of bond counsel, Freudenthal & Bonds, P.C., a signed copy of which, dated the date of the original issuance of such Bond, is on file with the undersigned.

**Date of Registration
and Authentication:**

**CITY TREASURER
CITY OF LARAMIE, WYOMING
as Bond Registrar**

By: _____
Authorized Officer

(Form of City Clerk's Certificate)

CITY CLERK'S CERTIFICATE

I, the undersigned, the duly qualified, sworn and acting City Clerk of the City of Laramie, Wyoming, do hereby certify that the within Bond is issued pursuant and according to law, that the same is within the lawful debt limit of the City and that said Bond has been duly registered in a book kept for that purpose in my office.

IN TESTIMONY WHEREOF, I have caused this Certificate to be executed with my official signature and a manual impression of the seal of the City, as of the 11th day of December, 2013.

(S E A L)
Signature) _____

(Manual
City Clerk

ADDITIONAL PROVISIONS

This Bond is the only bond of the series (the "Bond") in the principal amount of ONE MILLION SEVENTY-TWO THOUSAND DOLLARS (\$1,072,000) par value, issued by the City for the purpose of providing funds for paying part of the cost of extending and improving the municipal waterworks system of the City, under, by virtue of and in full conformity with the Constitution of the State of Wyoming; Title 15, Chapter 7, Wyo. Stat. (the "Act"); and all other laws thereunto enabling, and pursuant to the duly adopted Bond Ordinance authorizing the issuance of this Bond. The governing body of the City (the "Governing Body") has represented that it will take all action permitted by law to satisfy the obligations of the City under the Bond Ordinance.

This Bond is secured by and payable solely out of a special fund created in full conformity with law and designated as the "Series 2013 Water Revenue Bond, Bond Fund" (the "Bond Fund") into which Bond Fund the Governing Body covenants to deposit such amounts, from the Net Revenues derived from rates, fees and charges for connection to, use of and services furnished by the City's municipal waterworks system (the "Pledged Revenues"), in amounts sufficient, together with earnings and income thereon, to pay the maturing installments of principal and interest on the Bond, when the same become due and payable, respectively, all as is more particularly set forth in the Bond Ordinance. (Net Revenues is defined as the gross income and revenue of the City's municipal waterworks system less amounts [excluding current depreciation balances or depreciation expenses appertaining to said facilities] necessary for the operating and maintaining of the City's municipal waterworks system.) If necessary, payment of principal and interest on the Bond shall be made from the "Series 2013 Water Revenue Bond, Reserve Fund" (the "Reserve Fund") created for such purpose, all as more particularly set forth in the authorizing Bond Ordinance, and Pledged Revenues shall also include amounts on deposit in said Reserve Fund. The installments of principal of this Bond are equitably and ratably secured by a lien on said Pledged Revenues and such Bond constitutes an irrevocable and first lien but not an exclusive first lien on said Pledged Revenues.

NEITHER THIS BOND, NOR THE INTEREST HEREON, CONSTITUTES A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION.

Additional bonds or other obligations, subject to expressed conditions, may be issued and made payable from the Net Revenues having a lien thereon on a parity with the lien of the Bond, in accordance with the provisions of the Bond Ordinance.

Reference is made to the Bond Ordinance and any and all supplements thereto for any additional description of the nature and extent of the security for the Series 2013 Bond, the funds or revenues pledged, the nature and extent and manner of or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the Owner of the Series 2013 Bond with respect thereto, the terms and conditions upon which the Series 2013 Bond is issued, and a statement of rights, duties, immunities and obligations of the City, and other rights and remedies of the Owner of the Series 2013 Bond.

Installments of principal of the Series 2013 Bond are subject to optional redemption as set forth in the Bond Ordinance.

Upon payment of any maturing principal or any partial redemption of this Bond, the Registered Owner shall make an appropriate notation on this Bond indicating the date and amount of payment, except in the case of final maturity, in which case this Bond must be presented to the Paying Agent prior to payment

The Bond shall not be transferable or exchangeable, except as set forth in the Bond Ordinance.

SCHEDULE

<u>PRINCIPAL AMOUNT</u>	<u>PAYMENT DATE (December 11)</u>	<u>INTEREST RATE - %</u>
<u>\$ 22,000</u>	<u>2014</u>	<u>3.25%</u>
<u>22,000</u>	<u>2015</u>	<u>3.25%</u>
<u>23,000</u>	<u>2016</u>	<u>3.25%</u>
<u>24,000</u>	<u>2017</u>	<u>3.25%</u>
<u>24,000</u>	<u>2018</u>	<u>3.25%</u>
<u>25,000</u>	<u>2019</u>	<u>3.25%</u>
<u>26,000</u>	<u>2020</u>	<u>3.25%</u>
<u>27,000</u>	<u>2021</u>	<u>3.25%</u>
<u>28,000</u>	<u>2022</u>	<u>3.25%</u>
<u>29,000</u>	<u>2023</u>	<u>3.25%</u>
<u>30,000</u>	<u>2024</u>	<u>3.25%</u>
<u>31,000</u>	<u>2025</u>	<u>3.25%</u>
<u>32,000</u>	<u>2026</u>	<u>3.25%</u>
<u>33,000</u>	<u>2027</u>	<u>3.25%</u>
<u>34,000</u>	<u>2028</u>	<u>3.25%</u>
<u>35,000</u>	<u>2029</u>	<u>3.25%</u>
<u>36,000</u>	<u>2030</u>	<u>3.25%</u>
<u>37,000</u>	<u>2031</u>	<u>3.25%</u>
<u>38,000</u>	<u>2032</u>	<u>3.25%</u>
<u>40,000</u>	<u>2033</u>	<u>3.25%</u>
<u>41,000</u>	<u>2034</u>	<u>3.25%</u>
<u>42,000</u>	<u>2035</u>	<u>3.25%</u>
<u>44,000</u>	<u>2036</u>	<u>3.25%</u>
<u>45,000</u>	<u>2037</u>	<u>3.25%</u>
<u>47,000</u>	<u>2038</u>	<u>3.25%</u>
<u>48,000</u>	<u>2039</u>	<u>3.25%</u>
<u>50,000</u>	<u>2040</u>	<u>3.25%</u>
<u>51,000</u>	<u>2041</u>	<u>3.25%</u>
<u>53,000</u>	<u>2042</u>	<u>3.25%</u>
<u>55,000</u>	<u>2043</u>	<u>3.25%</u>

(Form of Assignment for Bond)

ASSIGNMENT

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

SOCIAL SECURITY OR FEDERAL EMPLOYER
IDENTIFICATION NUMBER OF ASSIGNEE

(Name and Address of Assignee)

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

Dated: _____

Signature of Registered Owner:

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

Signature guarantee:

(Bank, Trust Company or Firm)

(End of Form of Assignment for Bond)

Section 6. Issuance of Serial Bonds. Initially, the amount of the loan from RD shall be evidenced by a single Bond, as hereinbefore provided, and the City hereby covenants to comply with all regulations of the United States of America, Rural Utilities Service, applicable thereto.

At the request of the Owner of the single Bond, the City may issue serial registered bonds in exchange for and upon surrender of the single Bond, in the denomination of \$1,000 each or any integral multiple thereof, in the aggregate principal amount equal to the amount of the outstanding unpaid principal of the single Bond. The cost and expense of conversion to such serial bonds shall be paid by the Owner of the single Bond.

As the single Bond has been sold by the City to the United States of America in a private placement, no Official Statement or other offering material has been prepared relating to the Bond. If the single Bond is converted to serial bonds for the purpose of sale to others, the Owner of the single Bond will bear the cost and expense of such disclosure and will comply with applicable requirements of law and the City and the Bond Registrar shall receive an opinion of nationally recognized municipal bond counsel that the sale or transfer of the Bond shall not be in violation of the Securities Act of 1933 or other applicable law.

Section 7. Authentication. The Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth shall have been duly executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The Bond Registrar's certificate of authentication on the Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar.

Section 8. Delivery of Bond. Upon the adoption of this Ordinance, the City shall execute the Bond and deliver it to the Bond Registrar, and the Bond Registrar shall authenticate the Bond and deliver it to the Purchaser thereof, as directed by the City.

Section 9. Registration, Transfer and Exchange of Bond; Person Treated as Owner. The Bond Registrar shall maintain the books of the City for the registration of ownership of the Bond as provided in this Ordinance. Subject to applicable requirements of law and the requirement that the Bond shall not be sold or otherwise transferred until the City and the Bond Registrar shall have received an opinion of nationally recognized municipal bond counsel that the sale or transfer of the Bond shall not be in violation of the Securities Act of 1933 or other applicable law, the Bond may be transferred upon the registration books upon delivery of the Bond to the Bond Registrar, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the Owner of the Bond to be transferred or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bond, along with the social

security number or federal employer identification number of such transferee. No transfer of the Bond shall be effective until entered on the registration books.

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

The Bond may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bonds of the same series and maturity in authorized denominations. The City shall execute and the Bond Registrar shall authenticate and deliver Bonds which the Bondowner making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding. The execution by the City of any Bond of any denomination shall constitute full and due authorization of such denomination and the Bond Registrar shall thereby be authorized to authenticate and deliver such Bond.

The City, the Paying Agent and the Bond Registrar shall not be required to transfer or exchange the Bond: (1) during a period beginning on the Record Date and ending at the close of business on the ensuing Payment Date, or (2) during the period beginning on any date of selection of installments of principal of the Bond to be redeemed and ending on the day on which the applicable notice of redemption is given.

New Bonds delivered upon any transfer shall be valid special, limited obligations of the City, evidencing the same obligation as the Bond surrendered, shall be secured by this Ordinance, and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

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

Section 10. Cancellation of Bond. Whenever any outstanding Bond shall be delivered to the Bond Registrar for cancellation pursuant to this Ordinance, and upon payment of the principal amount and interest represented thereby, or whenever any outstanding Bond shall be delivered to the Bond Registrar for transfer or exchange pursuant to the provisions hereof, such Bond shall be canceled and returned by the Bond Registrar to the City for retention and later destruction in accordance with the laws of the State of Wyoming.

Section 11. Lost, Stolen, Destroyed or Mutilated Bond. Any Bond that is lost, stolen, destroyed, or mutilated, may be replaced or paid by the Bond Registrar in accordance with and subject to

the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, and present such proof of ownership and loss as may be required by applicable law, or in the absence of specific requirements, as may be required by the Bond Registrar.

Section 12. Registration by City Treasurer. The City Treasurer shall keep a book in which shall be registered the Series 20123 Bond, showing the information required by law and shall endorse upon said Bond a certificate of such registration.

Section 13. Additional Bonds or Other Obligations. No additional bonds shall be issued payable from the income and revenue of the City's municipal waterworks facilities and having a lien upon the Net Revenues which is superior to the lien of the Series 2013 Bond authorized herein.

However, nothing contained in this Ordinance shall be construed in such manner as to prevent the issuance by the City of additional bonds or other obligations payable from the Net Revenues and constituting a lien upon said Net Revenues equal to or on a parity with the lien of the Bond authorized herein; provided the Net Revenues derived from the operation of the municipal waterworks facilities (Net Revenues is defined as the gross income and revenue of the facilities less amounts [excluding current depreciation balances or depreciation expenses appertaining to the facilities] necessary for operation and maintenance thereof) for the fiscal year preceding the year in which such parity bonds or other obligations are to be issued was one hundred twenty-five percent (125%) of the combined average annual debt service requirements on the then outstanding aggregate principal amount of the Series 2013 Bond authorized herein and the additional bonds or other obligations to be issued. If rates and charges have been increased during the previous fiscal year, then the Net Revenues can be determined by applying the new rates and charges to the quantities of service actually furnished during such previous fiscal year. In addition, the City shall be in compliance with all the provisions of this Ordinance. However, the limitations relating to the issuance of additional parity lien bonds or other obligations may be waived or modified by the written consent of the Bond Owner.

Section 14. Disposition of Bond Proceeds. The Series 2013 Bond authorized herein shall be sold and delivered solely for the purpose of providing funds for paying part of the cost of extending and improving the municipal waterworks system of the City and all other costs and expenses incident thereto. The Bond shall be delivered to the Purchaser thereof at the agreed purchase price, being an amount not less than the par value of the Bond and accrued interest, if any, to the date of delivery. The proceeds shall not be applied to any purpose other than those for which the Bond was issued. Any accrued interest received from the sale of the Bond shall be deposited in the interest and sinking fund of the City. Neither the original Purchaser of the Bond nor any subsequent Owner shall be responsible for the funds derived from the sale thereof.

All or any portion of the Bond proceeds may be temporarily invested, or reinvested, pending such use, in securities or obligations which are lawful investments for such City in the State of Wyoming. It is hereby covenanted and agreed by the City that it will not take any action or omit to take any action

with respect to the Bond, the proceeds thereof, any other funds of the City or the Project financed with the proceeds of the Bond if such action or omission (i) would cause the interest on the Bond to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) would cause interest on the Bond to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect, notwithstanding the payment in full of the Bond, until the date on which all obligations of the City in fulfilling the above covenant under the Code have been met.

Section 15. Payment of Interest and Principal.

A. Pledge Securing Bond. The Pledged Revenues (as defined hereinbefore in the form of the Series 2013 Bond) and all moneys and securities paid to or held in any fund are hereby pledged to secure the payment of the principal of and interest on the Bond; and this pledge shall be valid and binding from and after the date of the first delivery of the Bond and the moneys, to be received by the City and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The installments of principal of the Bond are equitably and ratably secured by a lien on said Pledged Revenues and such Bond constitutes an irrevocable and first lien (but not necessarily an exclusive first lien) on said Pledged Revenues.

B. Bond Fund. A special trust account is authorized hereby to be established by the City and maintained by the Paying Agent and known as the "Series 2013 Water Revenue Bond, Bond Fund" (the "Bond Fund"). So long as any installments of principal of the Bond are outstanding, the Pledged Revenues are to be deposited into the Bond Fund as hereinafter provided in Section 16.

(1) Use of Moneys in the Bond Fund. Moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bond.

C. Reserve Fund. A special trust account is authorized hereby to be established by the City and maintained by the Paying Agent and known as the "Series 2013 Water Revenue Bond, Reserve Fund" (the "Reserve Fund"). There shall be deposited into said Reserve Fund (i) moneys as hereinafter in this Section provided, (ii) the amount specified in any supplemental ordinance creating a series of additional bonds, and (iii) all other moneys received by the Paying Agent when accompanied by directions not inconsistent herewith that such moneys are to be paid into the Reserve Fund.

The Reserve Fund shall be used solely for the payment of principal of and interest on the Bond authorized herein in the event moneys in the Bond Fund are insufficient to make such payments when due, whether on a Payment Date or maturity date. Moneys in the Reserve Fund used for such purpose shall be restored to the account as soon as possible. If on any Payment Date the amount in the Reserve Fund is greater than the Series 2013 Bond Reserve Requirement (as hereinafter defined), such excess

shall be transferred to the Bond Fund; provided, however, that the amount remaining in the Reserve Fund immediately after such transfer shall not be less than the Series 2013 Bond Reserve Requirement. On the final maturity date of the Bond, any moneys in the Reserve Fund shall be retained by the City for operation and maintenance of the Project.

The Reserve Fund shall be established and funded in the total amount of \$56,800 (the "Series 2013 Bond Reserve Requirement"). The City shall make annual payments to the Reserve Fund in an amount of \$5,680, beginning on or before December 8, 2014 and continuing each year on or before December 8 until the City has deposited the amount of \$56,800 into the Reserve Fund. No additional payments need be made into the Reserve Fund so long as the deposit therein shall equal or exceed the Series 2013 Bond Reserve Requirement.

Moneys in the Reserve Fund may be invested in direct obligations of the United States Government or in obligations or securities of any agency or instrumentality thereof, and the interest from such investment shall also be considered as Pledged Revenues.

Section 16. Administration of Funds and Accounts. The funds and accounts established in Section 15 are to be administered as follows:

A. Places and Times of Deposits. The above accounts and funds are to be separately maintained as book accounts, kept separate from each other and all other accounts, solely for the purposes designated and the moneys accounted for in such special book accounts shall be deposited in a commercial bank or banks or in savings and loan associations or invested as determined by the Governing Body in accordance with applicable law. Each periodic payment is to be credited to the proper account not later than the date designated, except that when any date is a Saturday, a Sunday, or a legal holiday, then the payment is to be made on or before the next preceding business day.

B. Investment of Money. Any moneys in any fund or account designated herein may be invested or reinvested in any securities or other obligations, which at the time of investment are legal investments for the funds proposed to be so invested, as provided in Wyo. Stat. §9-4-831 (herein "Investment Securities"). Such Investment Securities either are to be subject to redemption at any time at a fixed value at the option of the holder thereof, or are to mature, not later than the day prior to the date or respective dates on which the proceeds are to be expended. For the purpose of the above requirements, Investment Securities are deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations. The Governing Body is to specify the securities in which such investments and reinvestments will be made and, to the extent consistent with the other provisions of this Ordinance, the times and prices of their purchase and sale.

C. Accounting for Investments. The Investment Securities purchased as investment of moneys in any fund or account are to be deemed at all times to be part of that fund or account, and the interest accruing thereon and any profit realized therefrom are to be credited to the fund and any loss

resulting from such investment shall be charged to the fund. Investment Securities purchased as an investment of moneys in any fund or account are to be presented for redemption or sale at the prevailing market price whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund.

Section 17. Covenants of the Governing Body and the City. The Governing Body, on behalf of the City, makes the following covenants with the Owner of the Bond:

A. Performance of Covenants. The City covenants that it will faithfully perform and observe at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance, in the Bond and in all proceedings of the City, as the case may be, pertaining thereto. The City represents that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bond and to execute this Ordinance, to pledge the Pledged Revenues in the manner and to the extent herein set forth, that all actions on its part required for the issuance of the Bond and the execution and delivery of the Ordinance have been duly and effectively taken or will be duly taken as provided herein, and that this Ordinance is a valid and enforceable instrument of the City and that the Bond in the hands of the Owner thereof is and will be a valid and enforceable special, limited obligation of the City according to the terms thereof.

B. Payment of Principal and Interest; Other Payments. The City will promptly pay or cause to be paid the principal of and interest on the Bond issued hereunder according to the terms hereof. The principal and interest payments are payable solely from the Pledged Revenues, which are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Bond or in this Ordinance shall be considered or construed as pledging any funds or assets of the City other than those pledged hereby or creating any liability of the Governing Body's members, employees or other agents.

The City shall pay, into the Bond Fund, of the interest and principal coming due with respect to the Bond on December 11, 2014, and each December 11 thereafter until the Bond is paid in full, one hundred percent (100%) shall be deposited on or before December 1 of each year.

After the payments hereinabove referred to have been made, any remaining Net Revenues of the waterworks facilities shall be used (i) to replenish the Reserve Fund, (ii) to pay other obligations having a lien on the revenues of the waterworks facilities subordinate to the lien of the Bond authorized by this Ordinance and (iii) for any lawful purpose of the City.

In the event any moneys in the Reserve Fund are transferred to the Bond Fund pursuant to Section 15 hereof, the City will replenish the Reserve Fund in the amount of such withdrawal, within 30 days of said withdrawal, from Net Revenues of the waterworks facilities, or any other legally available moneys of the City.

In the event the City shall fail to make any of the payments required by this Section, the item or installment in default shall continue as an obligation of the City until the amount in default shall have been fully paid and the City agrees to pay the same.

C. Additional Bonds. The City will not issue any additional bonds or other obligations having a lien on the Pledged Revenues superior to or on a parity with the lien of the Bond without satisfaction of the requirements set forth in Section 13 hereof.

D. Conditions Precedent. Upon the date of issuance of the Bond, the City hereby covenants that all conditions, acts, and things required by the Constitution or statutes of the State of Wyoming or by the Act or by this Ordinance to exist, to have happened, or to have been performed precedent to or in the issuance of the Bond shall exist, have happened and have been performed.

E. Performance of Duties. The City shall faithfully and punctually perform or cause to be performed all duties with respect to the Net Revenues and its waterworks facilities required by the Constitution and laws of the State of Wyoming and the various resolutions and ordinances of the City, including, without limitation, the proper segregation of the Net Revenues.

F. Efficient Operation and Operation. The City shall at all times cause its waterworks facilities to be properly operated in a sound and economical manner; and the City shall maintain, preserve and keep the same properly or cause the same to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the waterworks facilities may be properly and advantageously conducted. All salaries, fees, wages and other compensation paid by the City in connection with the maintenance, repair and operation of the waterworks facilities shall be reasonable and not substantially more than would be paid by other bodies corporate and politic for similar services.

G. Compliance with Laws, etc. The City shall observe and perform all of the terms and conditions contained in this Ordinance and the Act, and all laws supplemental thereto and shall comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to its waterworks facilities, or to the City, as the case may be.

H. Payment of Governmental Charges. The City shall pay or cause to be paid all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of its waterworks facilities, or upon any part thereof, or upon any portion of the Pledged Revenues, when the same shall become due (provided that with respect to assessments or to other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as may have become due during the term of this Ordinance), and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to its waterworks facilities or any part thereof, except for any period during which the same is being contested in good faith by proper legal proceedings. The City shall not create or suffer to be

created any lien or charge upon its waterworks facilities, or any part thereof, or upon the Pledged Revenues, except the pledge and lien created by this Ordinance for the payment of the Bond, and except as herein otherwise permitted. The City shall satisfy and discharge, within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon its waterworks facilities, or any part thereof, or the Pledged Revenues; but nothing herein requires the City to pay or to cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

I. Corporate Existence. The City shall maintain its corporate identity and existence so long as any installments of principal of the Bond remains outstanding, unless an acceptable entity under the Code or unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the City and is obligated by law to operate and maintain its waterworks facilities and to fix and collect the revenues as herein provided without adversely affecting to any substantial degree at anytime the privileges and rights of the Owner of the Bond.

J. Competent Management. The City shall employ or enter into contract(s) for the services of experienced and competent management personnel for its waterworks facilities and shall operate the waterworks facilities for the City, subject to the reasonable control and direction of the City.

K. Rates and Charges. The City covenants and agrees to cause its waterworks facilities and other auxiliary services to be operated as revenue producing facilities on a nondiscriminatory basis and, in each fiscal year to charge such fees and rates for such facilities and services and to exercise such skill and diligence as to provide Net Revenues which equal at least 125% of the average annual principal and interest requirements payable with respect to the Series 2013 Bond in such fiscal year and any other parity debt obligations.

L. Budgets. The City shall annually and at such other times as may be provided by law prepare a budget relating to its waterworks facilities and the operation of the City.

M. Insurance. The City shall at all times maintain, or cause to be maintained, fire and extended coverage insurance, special hazard insurance, worker's compensation insurance, replacement cost insurance in an amount equal to at least 90% of the cost of the City's waterworks facilities, fidelity insurance, public liability insurance, medical liability insurance and all such other insurance as is customarily maintained with respect to facilities of like character against loss of Net Revenues and against public and other liability to the extent reasonably necessary to protect the interests of the City and of the Owner of the Bond or any other security payable from the Pledged Revenues.

N. Damage, Destruction and Condemnation. If the City's waterworks facilities are damaged or destroyed or if title to, or the temporary use of, the facilities shall have been taken under the exercise of the power of eminent domain, insurance proceeds or condemnation awards, as the case may

be, shall be used either to repair to replace the facilities or redeem principal installments of the Bond pursuant to Section 4 hereof.

O. Impairment of Contract. The City agrees that any law, resolution, ordinance or other action of the City in any manner affecting the Pledged Revenues or the Bond, or otherwise appertaining thereto, shall not be repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely any installments of principal of the Bond outstanding, unless such principal of the Bond has been discharged in full or provision has been fully made therefor, or unless the consent of the Bond Owner has been obtained.

P. Disposition of Facilities. As long as any installments of principal of the Bond remain outstanding, the City covenants and agrees that it will not lease, sell or dispose of the waterworks facilities without applying the net proceeds thereof to redeem the appropriate installments of principal of the Bond pursuant to Section 4 thereof.

Q. Tax Covenant. The City covenants and agrees that it will comply with the requirements of the Code in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Bond under the Code. The City further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Bond or any other funds of the City to be used directly or indirectly in any manner, the effect of which would be to cause the Bond to be an "arbitrage bond" within the meaning of the Code or would result in the inclusion of the interest on any of the installments of principal of the Bond in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Bond proceeds, if any, or (ii) the use of the proceeds of the Bond in a manner which would cause the Bond to be a "private activity bond", within the meaning of the Code.

Section 18. Events of Default. Each of the following constitutes an "Event of Default", that is, if:

A. Nonpayment of Principal. Payment of an installment of principal of the Bond is not made when due at maturity or upon prior redemption.

B. Nonpayment of Interest. Payment of interest on the Bond is not made when due.

C. Incapable to Perform. The City is not capable of fulfilling its obligations hereunder.

D. Default of any Provision. The City defaults in the punctual performance of its covenants under this Ordinance for 60 days after written notice shall have been given to the City by the Owner of the Bond.

Upon the happening and continuance of any of the Events of Default as provided herein, then and in every case the Owner of the Bond, including but not limited to a trustee or trustees therefor, may proceed against the City and its agents, officers and employees, in their capacity as such, to protect and enforce the rights of the Owner of the Bond under this Ordinance by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for specific

performance of any covenant or agreement contained in this Ordinance or in an award or execution of any power therein granted for the enforcement of any power or legal or equitable remedy as such Owner may deem most effectual to protect and enforce said rights, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the Bond Owner, or to require the City to act as if it were the trustee of an express trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the benefit of the Owner of the Bond. The failure of such Owner so to proceed shall not relieve the City or any of its officers, agents or employees of any liability for failure to perform any duty. Each right or privilege of the Owner (or trustee thereof) is in addition and cumulative to any other right or privilege thereof.

IN ADDITION TO ALL OTHER REMEDIES AVAILABLE TO THE OWNER AS DESCRIBED ABOVE, UPON THE OCCURRENCE OF AN EVENT OF DEFAULT, TO THE EXTENT ALLOWED BY LAW, THE OWNER MAY DECLARE AN AMOUNT EQUAL TO THE PRINCIPAL AND ALL ACCRUED INTEREST ON THE BOND AND OTHER AMOUNTS PAYABLE UNDER THIS ORDINANCE TO BE IMMEDIATELY DUE AND PAYABLE WITHOUT PRESENTMENT, DEMAND, PROTEST OR OTHER NOTICE OF ANY KIND ALL OF WHICH ARE EXPRESSLY WAIVED BY THE CITY.

Upon the happening of any of the events of default as provided above, the City, in addition, shall do and perform all proper acts on behalf of and for the Owner of the Bond to protect and preserve the security created for the payment of the principal of and interest on said Bond promptly as the same become due. So long as any installments of the Bond, either as to principal or interest, are outstanding and unpaid, the City needs to pay the Pledged Revenues to the Paying Agent for deposit into the Bond Fund and the Reserve Fund, when necessary, for use for the purposes therein provided. In the event the City fails or refuses to proceed as provided in this Ordinance, the Owner of the Bond, after demand in writing, may proceed to protect and enforce the rights of the Bondowner as hereinabove provided.

The Owner of said Bond may, either at law or in equity, by suit, action, mandamus or other appropriate proceedings in any court of competent jurisdiction, protect the lien created by this Ordinance on the Pledged Revenues and may by suit, action, mandamus or other appropriate proceeding or proceedings enforce and compel the performance of any duty imposed upon the City by the provisions of this Ordinance.

Section 19. Defeasance. The City has the right to prepay the Principal Balance of the Bond, in whole or in part, at any time without penalty, pursuant to the provisions of Section 4 hereof. **The City does not have the right to defease the Bond.**

Section 20. Amendment of Ordinance. This Ordinance may be amended, without receipt by the City of any additional consideration, but only with the written consent of the Owner of the Bond.

Section 21. Sale of Bond; Approval and Execution of Documents. The Bond authorized to be issued herein shall be sold to The United States of America at a purchase price of \$1,072,000. The

members of the Governing Body are hereby authorized to take such actions and execute and deliver such documents as may be necessary to give effect to this Ordinance and issue and deliver the Bond.

Section 22. Ratification and Approval of Prior Action. All actions heretofore taken by the officers and members of the Governing Body not inconsistent with the provisions of this Ordinance, relating to the authorization, sale, issuance and delivery of said Bond, are hereby ratified, approved and confirmed.

Section 23. Designation of Bond. The City has not issued or effected the issuance of, and reasonably anticipates that the City and all subordinate entities thereof have not and will not issue or effect the issuance of, more than Ten Million Dollars (\$10,000,000) aggregate face amount of tax-exempt obligations during the 2003 calendar year, and hereby designates the Series 2013 Bond as a "qualified tax-exempt obligation" as defined by Section 265(b)(3) of the Code.

Section 24. S.E.C. Rule 15c2-12. The City has not prepared and will not disseminate any official statement, prospectus, offering circular or other comprehensive offering statement containing material information with respect to the City, the Project or the Bond in connection with the sale of the Bond, and will not undertake any commitment under SEC Rule 15c2-12 to provide continuing disclosure of material information with respect to the City, the Project or the Bond. The purchase of the Bond falls within the exceptions to SEC Rule 15c2-12 in that the Bond is a municipal security in the denomination of \$1,072,000 which is sold to not more than 35 sophisticated investors.

Section 25. Ordinance Irrepealable. After said Series 2013 Bond has been issued, this Ordinance shall be irrepealable until both the principal of and the interest on said Bond shall be fully paid, satisfied and discharged.

Section 26. Repealer. All orders, bylaws, resolutions and ordinances, or parts thereof in conflict with this Ordinance are hereby repealed to the extent that they conflict with this Ordinance.

Section 27. Severability. Should any part or provision of this Ordinance ever be judicially determined to be invalid or unenforceable, such determination shall not affect the remaining parts and provisions hereof, the intention being that each part or provision of this Ordinance is severable.

Section 28. Declaration of Emergency and Effective Date. By reason of the fact that the City currently needs the proceeds from the sale of the Series 2013 Bond to pay part of the costs of the Project, it is necessary to immediately authorize the issuance of the Bond at a time prior to the time an ordinance could be publicly read three (3) times and adopted as provided by law, and it is hereby declared that an emergency exists, that this Bond Ordinance is necessary for the immediate preservation of the public peace, health, safety and welfare, and that it shall be in full force and effect from and after its passage and approval.

Section 29. Suspension of Readings. The rule requiring ordinances, except emergency ordinances, to have public readings on three (3) different days unless three-fourths (3/4) of the Governing

Body vote to suspend the rules as provided by Wyo. Stat. §15-1-115, is hereby suspended for the purpose of permitting the adoption of this Bond Ordinance at this meeting.

Section 30. Recording. This Ordinance, after its passage and approval, shall be recorded by the City Clerk in a book kept for the purpose and said Ordinance shall be published as required by law.

ADOPTED AND APPROVED this 19th day of November, 2013.

CITY OF LARAMIE, WYOMING



Mayor

ATTESTED:



City Clerk

PROCLAMATION

The foregoing Ordinance, adopted and approved this 19th day of November, 2013, which operates for the immediate preservation of the public peace, health, safety, and welfare, shall become effective immediately upon the date of this proclamation and as soon thereafter as practical it shall be published as required by law.

(S E A L)

CITY OF LARAMIE, WYOMING



Mayor

ATTESTED:



City Clerk

Duly published in the Laramie Boomerang on the 06th day of December 2013.

First Reading: Suspended Rules
Public Hearing: N/A
Second Reading: N/A
Third/Final Reading: November 19, 2013.