

ORDINANCE NO. 10
Series 2003

August 19, 2003: Introduced as Council Bill 10-03 by Councilmember Doug Tisdale, seconded by Councilmember Bonnie Blum, and considered by the title only on first reading. Passed unanimously.

September 16, 2003: Considered in full text on second reading. Passed unanimously. Designated as Ordinance No. 10, Series 2003.

A BILL FOR AN ORDINANCE OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO, AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO REVENUE BOND (DENVER CHRISTIAN SCHOOLS PROJECT) SERIES 2003 IN THE PRINCIPAL AMOUNT OF \$3,439,000; APPROVING A LOAN AGREEMENT AND A TAX CERTIFICATE AND AGREEMENT PROVIDING DETAILS CONCERNING THE BOND AND FUNDS APPERTAINING THERETO; RATIFYING ACTS PREVIOUSLY TAKEN CONCERNING SAID BOND; REPEALING ALL PROCEEDINGS IN CONFLICT HEREWITH; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO, ORDAINS:

Section 1. Definitions. The terms defined in this section shall have the designated meanings for all purposes of this ordinance and of any amendatory or supplemental ordinance, except where the context by clear implication requires otherwise.

“Act” means the County and Municipality Development Revenue Bond Act, Sections 29-3-101 et. seq., Colorado Revised Statutes, as amended from time to time.

“Bond” means the City of Cherry Hills Village, Colorado, Revenue Bond (Denver Christian Schools Project) Series 2003 in the principal amount of \$3,439,000 to be issued pursuant to this Ordinance.

“Borrower” or “Company” means The Denver Christian Schools, a Colorado nonprofit corporation.

“Charter” means the Home Rule Charter of the City.

“City” means the City of Cherry Hills Village, Colorado, a municipal corporation and political subdivision of the State of Colorado.

“Code” means the Internal Revenue Code of 1986, as in effect on the date of delivery of the Bond.

“Council” means the City Council of the City.

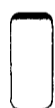
“Deed of Trust” means the Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing from the Borrower.

“Documents” means the Loan Agreement and the Tax Certificate and Agreement.

“Interest Payment Date” means the first day of each calendar month, beginning on November 1, 2003.

“Loan” means the loan from the City to the Company of the proceeds from the sale of the Bond for the purposes of financing the Project, as more fully described in the Loan Agreement, and paying the costs and expenses related to the approval, issuance and sale of the Bond.

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“Loan Agreement” means that certain Loan Agreement, dated as of October 1, 2003, by and between the City and the Company.

“Mayor” means the Mayor of the City.

“Project” means the school buildings refinanced by the Loan, as more fully described in the Loan Agreement.

“Registered Owner” means the owner of the Bond as designated on the registration books and records kept and maintained by the Borrower.

“Securities Act” means article 57, title 11, Sections 201, et. seq. of the Colorado Revised Statutes, as amended from time to time.

“State” means the State of Colorado.

“Tax Certificate and Agreement” means that certain Tax Certificate and Agreement of the City and the Company dated as of the date of the issuance of the Bond.

Section 2. Recitals.

(a) The City is a public corporation and political subdivision of the State, acting as a home rule city under its Charter.

(b) The Council Members and Mayor have been duly elected or appointed and qualified.

(c) The Council deems it necessary at this time to authorize the issuance of the Bond in the principal amount of \$3,439,000 in order to fund the Loan pursuant to the Charter, the Act and the Securities Act.

(d) The Council has determined and does hereby determine that the limitations of the Charter, the Act and the Securities Act imposed upon the issuance of the Bond have been met and that the funding of the Loan will promote industry and develop trade or other economic activity.

(e) The Council deems it necessary at this time to issue the Bond, the net proceeds of which will be used to fund the Loan, which will be used by the Company for the purposes of refinancing the acquisition, construction and equipping of the Project, and paying for costs and expenses related to the approval, issuance and sale of the Bond.

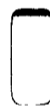
(f) There have been presented to the Council proposed forms of this Ordinance, the Loan Agreement and the Tax Certificate and Agreement.

(g) The Council hereby finds and determines that the sale of the Bond in a private placement to the Colorado Business Bank is to the best advantage of the City.

Section 3. Ratification. All action consistent with the provisions of this Ordinance heretofore taken by the Council and the Members of the Council directed toward the sale and issuance of the Bond for the purposes stated above be, and the same is hereby ratified, approved and confirmed.

Section 4. Authorization. For the purpose of providing funds for the Loan, the City shall issue, in accordance with its Charter, the Act and the Securities Act, the City of Cherry Hills Village, Colorado, Revenue Bond (Denver Christian Schools Project) Series 2003 in the principal amount of \$3,439,000.

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Section 5. Bond Details.

(a) The Bond shall be issued in one fully registered form (i.e., registered as to payment of both principal and interest). The Bond shall be in substantially the form set forth as Appendix A to this Ordinance.

(b) The Bond shall be issuable as a fully registered bond in the principal amount of \$3,439,000. The Bond shall be numbered and lettered, and dated as of its date of issuance. The Bond shall bear interest on the basis of a 360-day year, consisting of twelve 30-day months, from its date until payment of principal has been made or provided for, payable on each Interest Payment Date, except that if the Bond is reissued upon transfer, exchange or other replacement, it shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid, from the dated date of the Bond. The Bond shall mature on October 1, 2023.

The principal of and premium, if any, on the Bond shall be payable in lawful money of the United States of America. Payment of interest on the Bond shall be made to the Registered Owner thereof by check or draft mailed or wire transfer on each Interest Payment Date by the Borrower to the Registered Owner at his or her address in the continental United States of America as it last appears on the registration records kept by the Borrower on the record date for such Interest Payment Date, but any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner thereof at the close of business on the regular record date and shall be payable to the Registered Owner thereof at the close of business on a special record date for the payment of any such defaulted interest. Such special record date shall be fixed by the Registered Owner whenever moneys become available for payment of the defaulted interest. All such payments shall be made in lawful money of the United States of America.

The Bond is subject to optional redemption as set forth below. The Bond shall be substantially in the form and tenor hereinabove recited and attached hereto with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance.

(c) The Bond shall bear interest at the per annum rates as follows:

(i) from the dated date of the Bond to but not including November 1, 2013, at 5.15%;

(ii) from November 1, 2013 to but not including November 1, 2018, at the rate equal to the five (5) year Treasury Rate (defined below) effective on November 1, 2013, plus 2.70%; and

(iii) from November 1, 2018 to the date of maturity of the Bond, at the rate equal to the five (5) year Treasury Rate (defined below) effective on November 1, 2018, plus 2.70%.

The five (5) year Treasury Rate shall be that interest rate as reported in the Federal Reserve Statistical Release H.15 for U.S. Government Securities Treasury Constant 5-year interest rate, or if this report is unavailable, then such replacement or comparable report or indication of the five (5) year Treasury Rate.

The maximum net effective interest rate on the Bond shall not exceed fifteen percent (15%) per annum.



(d) The principal of the Bond due and payable monthly shall be in such amounts as set forth in a written schedule from the Registered Owner to the Borrower and the City, and calculated on such basis as to provide a twenty year amortization thereof and level monthly debt service payments. At each interest rate adjustment date identified above in subsection (c), the Registered Owner shall reamortize the debt service payments and provide such new written debt service schedule to the Borrower and the City at least fifteen (15) days prior to the next Interest Payment Date.

(e) Books for the registration and for the transfer of the Bond are to be kept by the Borrower. Upon surrender for transfer of any Bond at the principal office of the Borrower duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the City shall execute and deliver in the name of the transferee or transferees a new Bond.

As to the Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, except to the extent otherwise provided herein with respect to record dates for the payment of interest, and payment of either principal or interest on any Bond shall be made only to or upon the written order of the Registered Owner thereof or his legal representative but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

The Borrower and the City shall require the payment by the Registered Owner requesting exchange or transfer of the reasonable expenses of the City, if any, of a reasonable transfer or exchange fee and of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

(f) Upon receipt by the City and the Borrower of evidence satisfactory to them of the ownership of and the loss, theft, destruction or transferee of the Bond and, in the case of a lost, stolen or destroyed Bond, of indemnity satisfactory to them, and upon surrender and cancellation of the Bond, if mutilated, (i) the City shall execute and deliver a new Bond of the same maturity in lieu of such lost, stolen, destroyed or mutilated Bond or (ii) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Borrower may pay such Bond. Any such new Bond shall bear a number not contemporaneously outstanding. The applicant for any such new Bond may be required to pay all expenses and charges of the City and of the Borrower in connection with the issuance of such Bond. The Bond shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bond, negotiable instruments or other securities.

(g) Upon the execution and delivery of this Ordinance, the City shall execute and deliver the Bond to the initial purchaser thereof as directed by the City and as hereinafter in this Section provided.



Prior to the delivery by the City of the Bond, there shall have been filed with or delivered to the Borrower the following:

(i) A duly executed copy of the Tax Certificate and Agreement and the Loan Agreement.

(ii) An opinion of bond counsel substantially to the effect that the Bond constitutes a legal, valid and binding obligation.

(h) Whenever the outstanding Bond shall be delivered to the Borrower for the cancellation thereof pursuant to this Ordinance, upon payment of the principal amount thereof or for replacement pursuant hereto, such Bond shall be promptly canceled and destroyed by the Borrower and a certificate of destruction evidencing such destruction shall be furnished by the Borrower to the City.

Section 6. Limited Obligations. The Bond shall constitute a special, limited obligation of the City payable solely out of the monies payable under the Loan Agreement as provided herein and in the Bond. The Bond shall not constitute the debt or indebtedness or a multiple-fiscal year obligation of the City or the State within the meaning of any provision or limitation of the Charter or the Constitution or statutes of the State. The Bond shall not constitute the debt or indebtedness or a multiple-fiscal year financial obligation of the City, the State or any county, municipality or political subdivision of the State. The Bond shall not constitute or give rise to any pecuniary liability or financial obligation whatsoever or a charge against the general credit or taxing powers of the City, the State or any county, municipality or political subdivision of the State.

Section 7. Execution of Bond; Signatures. The Bond shall be executed on behalf of the City by the manual signature of the Mayor, sealed with the corporate seal of the City or a facsimile thereof, and attested by the manual signature of the City Clerk of the City. In case any person who shall have signed the Bond shall cease to be in an official capacity of the City before the Bond has been authenticated or delivered or sold, such Bond with the signatures thereto affixed may, nevertheless, be authenticated and delivered, and may be sold by the City, as though the person or persons who signed such Bond had remained in office.

Section 8. Covenants of the City.

(a) The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Ordinance, in any and every Bond and in all proceedings of the City pertaining thereto. The City covenants, represents, warrants and agrees that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to adopt and perform its obligations under the Ordinance 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 this 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 Registered Owner thereof are and will be valid and enforceable obligations of the City according to the terms thereof, except as the enforceability thereof may be limited by insolvency, bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally



or against public corporations such as the City and by the application of general principles of equity.

(b) The City covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such additional documents and such further acts, instruments and transfers as the Registered Owner or Bond counsel may reasonably require for the better assuring, transferring, pledging and hypothecating all and singular the revenues to the payment of the principal of, premium, if any, and interest on the Bond.

(c) The City will promptly cause to be paid the principal of, premium, if any, and interest on the Bond issued hereunder according to the terms hereof. The principal, premium, if any, and interest payments are payable solely from revenues of the Borrower, which are hereby specifically pledged to the payment thereof in the manner and to the extent specified herein or in the Loan Agreement. Nothing in the Bond or in this Ordinance shall be considered or construed as pledging any funds or assets of the City or creating any liability of the City's members, employees or other agents.

Section 9. Optional Redemption of Bond.

(a) The Bond is subject to redemption prior to maturity by the City upon the written direction of the Borrower as a whole or in part at any time, on and after December 1, 2003, at a redemption price equal to the principal amount of the Bond to be redeemed, plus accrued interest thereon to the date of redemption.

(b) The Bond shall be called for optional redemption by the Borrower as herein provided upon receipt by the Registered Owner at least fifteen (15) days prior to the redemption date of a notice from the Borrower. In the case of early redemption, the Borrower shall cause notice of such redemption by mailing by first-class mail a copy of the redemption notice to the Registered Owner of the Bond designated for redemption in whole or in part, at its address as the same shall last appear upon the registration records. Each notice of redemption shall specify the date fixed for redemption, the place or places of payment, the principal amount of the Bond being redeemed, that payment will be made upon presentation and surrender of the Bond to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

(c) Upon surrender of any Bond for redemption in part only, the City shall execute and deliver to the Registered Owner thereof, the cost of which shall be paid by the Borrower, a new Bond or Bond of the same maturity and of authorized denominations, in an aggregate principal amount equal to that portion of the Bond not redeemed. The Bond which is being redeemed shall be delivered to the Borrower for cancellation and destruction.

Section 10. Discharge of this Ordinance. If and when the Bond is paid in accordance with its terms, together with all other sums payable hereunder, all amounts payable to the City under the Loan Agreement and all amounts payable to the United States of America pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), then this Ordinance and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. Also, if the outstanding Bond shall have been purchased by the Borrower for cancellation, and all other sums payable hereunder, all amounts payable to the City under the Loan Agreement, and all amounts payable to the United States of America pursuant to



Section 148 of the Code have been paid, or provision shall have been made for the payment of the same, then this Ordinance and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Notwithstanding anything contained herein to the contrary, provision shall not be made for the payment of the Bond if such provision would constitute an advance refunding under the Internal Revenue Code of 1986, as amended, unless simultaneously with or prior to such provision for payment, the Borrower delivers to the City an opinion of nationally recognized bond counsel acceptable to the City to the effect that such provision will not adversely affect the exclusion from gross income of the interest on the Bond.

Section 11. Events of Default. Each of the following is hereby defined as and shall be deemed an "Event of Default":

(a) Default in the payment of the principal of the Bond when the same shall become due and payable whether at the stated maturity thereof or upon proceedings for redemption.

(b) Default in the payment of any installment of interest on the Bond when the same shall become due and payable.

(c) Default shall be made in the observance or performance of any covenant, agreement, contract or other provision in the Bond or this Ordinance contained (other than as referred to in (a) or (b) of this Section) and such default shall continue for a period of 30 days after written notice to the City and the Borrower from the Registered Owner specifying such default and requiring the same to be remedied, provided, with respect to any such failure covered by this subsection (c), no Event of Default shall be deemed to have occurred so long as a course of action adequate to remedy such failure shall have been commenced within such 30-day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby.

(d) The occurrence of an "event of default" under the Loan Agreement.

Section 12. Remedies on Events of Default. Upon the occurrence of an Event of Default, the Registered Owner shall have the following rights and remedies:

(a) Acceleration. The Registered Owner may by notice in writing given to the City and the Borrower, declare the principal amount of the Bond then outstanding and the interest accrued thereon to be immediately due and payable and said principal and interest shall thereupon become immediately due and payable. Upon any declaration of acceleration hereunder, the City shall immediately declare all loan payments under the Loan Agreement to be immediately due and payable as provided in the Loan Agreement.

(b) Receivership. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Registered Owner, the Registered Owner shall be entitled as a matter of right to the appointment of a receiver or receivers of the trust estate, and of the rents, revenues, income, products and profits thereof, pending such proceedings, but, notwithstanding the appointment of any receiver, trustee or other custodian, the Registered Owner shall be entitled to the possession and control of any cash, securities or other instruments at the time held by, or payable or deliverable under the provisions of this Ordinance to, the Registered Owner.



(c) Suit for Judgment on the Bond. The Registered Owner shall be entitled to sue for and recover judgment, either before or after or during the pendency of any proceedings for the enforcement of the lien of this Ordinance, for the enforcement any of its rights. No recovery of any judgment by the Registered Owner shall in any manner or to any extent affect the lien of this Ordinance or any rights, powers or remedies of the Ordinance hereunder, or any lien, rights, powers or remedies of the Registered Owner, but such lien, rights, powers and remedies of the Registered Owner shall continue unimpaired as before.

(d) Foreclosure. Foreclosure on all or any portion of the property subject to the Deed of Trust.

No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute.

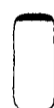
In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Borrower, the Registered Owner and the City shall, to the extent permitted by law, be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Registered Owner allowed in such proceedings for the entire amount due and payable under this Ordinance, at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice.

No delay or omission of the Registered Owner to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Ordinance may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default hereunder by the Registered Owner shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon.

In case the Registered Owner shall have proceeded to enforce any rights under this Ordinance and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Registered Owner, then and in every such case the City and the Registered Owner shall be restored to their former position and rights hereunder with respect to the trust estate, and all rights, remedies, and powers of the City and the Registered Owner shall continue as if no such proceedings had been taken.

Section 13. Approvals, Authorizations, and Amendments. The forms of the Documents are hereby approved. The City shall enter into and perform its obligations under the Documents in the forms of each of such documents presented to the Council prior to this meeting with such changes, additions and completions thereto as shall be approved by the Mayor; the Mayor is hereby authorized and directed to approve such changes, additions and completions to the Documents as necessary to effectuate the purposes of this Ordinance; and the Mayor and City Clerk of the City are each hereby authorized to execute and deliver the Documents and such other documents, instruments or certificates as are deemed necessary or desirable by the Mayor and bond counsel in order to issue and secure the Bond, and the City Clerk of the City is hereby authorized to attest and to affix the seal of the City thereto. Such documents are to be executed



in the forms hereinabove approved, provided that such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Ordinance. Copies of all of the documents shall be delivered, filed and recorded as provided therein.

The proper officers of the City are hereby authorized and directed to prepare and furnish to bond counsel certified copies of all proceedings and records of the City relating to the Bond and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof as such facts appear from the books and records in such officers' custody and control or as otherwise known to them.

The approval hereby given to the documents referred to above includes an approval of the final principal amount, interest rates and maturity date of the Bond, and all additional details therein as may be necessary and appropriate for their completion, for deletions therefrom and for additions thereto as may be approved by bond counsel and the Mayor prior to the execution of the Documents. The execution of any document by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof.

As required under the Act, the Council hereby finds that (a) the determination of the amount necessary in each year to pay the principal of and the interest on the Bond is set forth herein and in the Loan Agreement, (b) no reserve funds need to be established and funded by the City in connection with the retirement of the Bond or the maintenance of the Project, (c) under the terms and conditions of the Loan Agreement, the Company is required to maintain the Project, to carry all proper insurance with respect thereto and to pay the taxes which the taxing entities are entitled to receive from the Company, and (d) the payments required under the Loan Agreement are sufficient to pay the principal of and interest on the Bond when due, and to pay all other costs required under the Loan Agreement.

Section 14. Transfer Restriction. The Bond may only be transferred in whole to an "accredited investor" as defined in Section 2(15) of the Securities Act of 1933.

Section 15. Contract with Bondholders. After the Bond has been issued, this Ordinance shall constitute a contract between the City and the owner or owners of the Bond and shall be and remain irrevocable until the Bond and the interest thereon shall have been fully paid, satisfied and discharged.

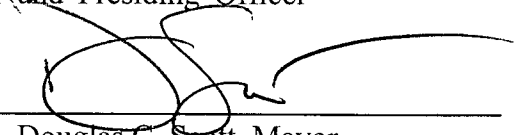
Section 16. Severability. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 17. Repealer. All acts and ordinances in conflict with this Ordinance are hereby rescinded, annulled and repealed. This repealer shall not be construed to revive any act or ordinance, or part thereof, heretofore repealed.



Section 18. Limitation of Actions. Under the Act, no action may be brought questioning the legality of this Ordinance, the Loan Agreement or the Bond on and after thirty (30) days from the effective date of this Ordinance.

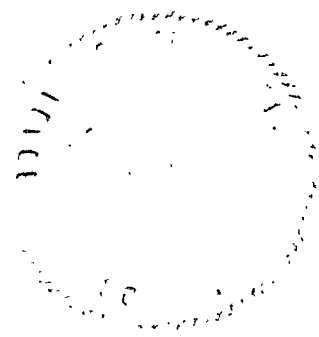
Adopted as Ordinance No. 10 Series 2003, by the City Council of the City of Cherry Hills Village, Colorado, and signed and approved by its Mayor and Presiding Officer this 16th day of September, 2003

By: 
Douglas C. Scott, Mayor

(SEAL)

By: 
Jennifer Pettinger, City Clerk

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APPENDIX A

FORM OF BOND

BY REGISTRATION OF THIS BOND, THE OWNER HEREBY AGREES NOT TO OFFER, SELL, OR TRANSFER THIS BOND OR BENEFICIAL INTEREST HEREIN TO A THIRD PARTY PURCHASER UNLESS SUCH PURCHASER IS AN "ACCREDITED INVESTOR" AS DEFINED IN SECTION 2(15) OF THE SECURITIES ACT OF 1933.

CITY OF CHERRY HILLS VILLAGE, COLORADO
REVENUE BOND (THE DENVER CHRISTIAN SCHOOLS PROJECT)
SERIES 2003

NO. R _____ \$ _____

MATURITY DATE _____, 2023 **DATED** _____, 2003 **INTEREST RATE**
as set forth herein

REGISTERED OWNER: _____

TAX IDENTIFICATION NUMBER: _____

PRINCIPAL AMOUNT: ****DOLLARS****

KNOW ALL PERSONS BY THESE PRESENTS that the CITY OF CHERRY HILLS VILLAGE, COLORADO, a municipal corporation and political subdivision of the State of Colorado (the "City") for value received, hereby promises to pay, but only from the sources hereinafter described, the principal amount stated above in lawful money of the United States of America to the Registered Owner named above, or registered assigns, on the maturity date stated above unless this Bond shall have been called for prior redemption, in which case on such redemption date, upon the presentation and surrender hereof at the principal office of the Borrower (defined below), and to pay, from like sources, to the person who is the Registered Owner hereof on the day of each month by check or draft mailed to such Registered Owner at his or her address as reported to the Borrower, interest on said sum in like coin or currency from the date hereof at the interest rate, set forth below, payable on the first day of each month, commencing _____, 2003, until payment of the principal hereof has been made or provided for.

All capitalized terms used herein shall have the meanings set forth in the Loan Agreement and the Ordinance (each as defined below).



This Bond is a duly authorized bond of the City (the "Bond") in the principal amount of \$ _____ issued under and secured by the Ordinance (defined below). The Bond has been issued under the City and Municipality Development Revenue Bond Act constituting Sections 29-3-101 *et. seq.*, Colorado Revised Statutes, as amended, (the "Act"), the Supplemental Public Securities Act, constituting Title 11 Article 57, Part 2 of Colorado Revised Statutes, as amended, (the "Supplemental Act") and the City's Home Rule Charter to (i) refinance for The Denver Christian Schools, a Colorado nonprofit corporation ("Borrower") its outstanding indebtedness to Colorado Business Bank incurred for the acquisition, construction and equipping of certain school buildings and facilities, and (ii) to pay certain issuance expenses (collectively, the "Project").

The interest rate on this Bond is as set forth in the Ordinance. Principal and interest are payable as further set forth in the Ordinance.

This Bond is a limited obligation of the City payable solely from and secured by (a) a pledge of certain rights of the City under and pursuant to the Loan Agreement, dated as of _____ 1, 2003 (the "Agreement"), by and between the City and the Borrower, (b) a pledge of the funds and revenues under the Agreement and (c) the rights and interest of the City in the Pledged Revenues (as defined in and subject to the Agreement) of the Borrower.

The refinancing of the Project and the issuance of the Bond have been authorized by an ordinance ("Ordinance") duly adopted by the City Council of the City of Cherry Hills Village, Colorado pursuant to the laws of the State of Colorado (the "State"), including Sections 29-3-101 *et. seq.*, Colorado Revised Statutes, as amended (the "Act") and the City's Home Rule Charter. This Bond shall not constitute or become an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State other than the City (but only to the extent of the revenues pledged in the Ordinance) and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State except the City to the extent provided above shall be liable hereon; nor shall this Bond constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State but shall be payable solely from the funds pledged therefor. The issuance of this Bond shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State nor empower the City to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for the payment of this Bond, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the creation of debt of the City within the meaning of the Constitution or statutes of the State or authorize the City to levy or collect taxes or assessments. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the City or any charge upon its general credit or against its taxing power.

Under the Act, no action may be brought questioning the legality of this Bond, the Ordinance or the Loan Agreement on and after 30 days from the effective date of the Ordinance.



Reference is hereby made to the Ordinance, the Agreement and the Deed of Trust for a description of the revenues pledged, the nature and extent of the security, the rights, duties and obligations of the Borrower, the City and the Registered Owner of the Bond and the terms and conditions upon which the Bond is and is to be, secured, and a statement of the rights, duties, immunities and obligations of the City.

The Bond is callable for redemption prior to maturity upon the written direction of the Borrower given to the Registered Owner at least fifteen (15) days prior to the redemption date, in whole or in part at any time on and after December 1, 2003, at a redemption price equal to the principal amount of the Bond to be redeemed, plus accrued interest. Notice of the call for redemption shall be given by the Borrower as specified in the Ordinance. That portion of the Bond called for redemption will cease to bear interest after the specified redemption date.

The Bond shall initially be issued as a single fully registered bond.

Any modifications or amendments of this Bond, the Ordinance and the Agreement may be made by the City only with the prior consent of the Registered Owner of the Bond. Any such consent by the Registered Owner of this Bond shall be conclusive and binding upon such Registered Owner and upon all future Registered Owner of this Bond and of any bond issued upon the transfer or exchange of this Bond whether or not notation of such consent is made upon this Bond.

In case an event of default under the Ordinance, this Bond, or the Loan Agreement shall occur, the principal of all the Bond at any such time outstanding may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided herein and therein.

None of the members of the Board of Directors of the Company, the City Council of the City or any person executing the Bond shall be liable personally on the Bond or be subject to any personal liability or accountability by reason of the issuance thereof.

The liability of the City and obligations of the City under the Agreement, the Bond and this Ordinance with respect to all or any portion of the Bond may be discharged at or prior to the maturity or redemption of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Agreement and the Ordinance.

No covenant or agreement contained in the Bond or in the Ordinance shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the City in his or her individual capacity, and neither the members of the governing body of the City nor any official executing the Bond, shall be liable personally on the Bond or be subject to any personal liability or accountability by reason of the issuance thereof.

No covenant or agreement contained in the Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Borrower in his or her individual capacity, and the Board of Directors of the Company, shall not be liable personally or be subject to any personal liability or accountability by reason of the execution and delivery thereof.



It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution of the State or by the Act, the Ordinance or this Bond to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed.

Under the Act, no action may be brought questioning the legality of this Bond on and after thirty (30) days following the effective date of the Ordinance.

Copies of the Ordinance, the Agreement and other documents relating to the Bond are on file with the Borrower and reference is made to those instruments for the provisions relating, among other things to the liability of the Borrower, the terms of and security for the Bond, the custody and application of the proceeds of the Bond, the rights and remedies of the Registered Owner of the Bond, amendments, and the rights, duties and obligations of the City to all of which the Registered Owner hereof, by acceptance of this Bond, assents.

IN WITNESS WHEREOF, THE CITY OF CHERRY HILLS VILLAGE, COLORADO has caused this Bond to be signed in its name and on its behalf by the manual signature of its Mayor and its corporate seal to be affixed hereto and attested by the manual signature of its City Clerk.

CITY OF CHERRY HILLS VILLAGE,
COLORADO

By: _____
Mayor

[SEAL]

Attest:

By: _____
City Clerk



(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within bond and all rights thereunder in accordance with the transfer restrictions applicable hereto, and hereby irrevocably constitutes and appoints _____ to transfer the within bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Signature Guaranteed:

Address of transferee:

Social Security or other tax
identification number of transferee:

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

(END OF FORM OF ASSIGNMENT)

