



### SUMMARY OF COP-RELATED DOCUMENTS

All of the documents listed below are a necessary part of the package to issue the Series 2024 Certificates of Participation. Each carries legal representations, warranties, agreements, limitations and obligations of the parties, and statements that each party is acting in their role at an arms-length. Effectively, all parties involved in the issuance have full power and authority to act on behalf of their respective entities and bind the entity to the terms of the agreements. In addition, each document contains a substantial amount of information about form, disclosures, and other details that are less relevant for a high-level understanding. The summaries below attempt to simplify the purpose of each document and the information relevant for the Board.

**The University of Northern Colorado is not obligated to pay the debt service on the Certificates of Participation.**

### UNC ACTION DOCUMENTS

#### **1. UNC Resolution (p. 4)**

- a. Parties: UNC only
- b. Purpose:
  - i. Authorizes and approves of the Site Lease (see #2 below).
  - ii. Delegates authority to the Chair of the Board, the President, and the Vice President and CFO to execute the necessary documents (the Site Lease, specifically) and take action on behalf of the Board in connection with the COP issuance.
  - iii. Declares UNC's intent to seek reimbursement for related expenditures incurred by UNC prior to the issuance of the COP. This is required under the U.S. Treasury Regulation Title 26 Section 1.150-2 related to bond proceeds used for reimbursement.

The other three institutions are adopting similar resolutions. This document was prepared by Kutak Rock, Special Counsel for the four Higher Ed Institutions.

#### **2. Site Lease (p. 7)**

- a. Parties: UNC and the State
- b. Purpose:
  - i. HB24-1231 authorizes UNC to lease the Financed Asset to the State, which allows the State to secure financing for the project.
  - ii. Establishes intent for the sublease and leaseback agreements to follow.
  - iii. No rent is obligated as part of this agreement. UNC receives the COP proceeds from the State as consideration paid.
- c. See PDF for relevant highlighted passages



## OTHER RELATED DOCUMENTS

### **3. Site Sublease (p. 25)**

- a. Parties: The State and USBank (Trustee)
- b. Purpose:
  - i. By subleasing the Financed Asset from the State to USBank, this allows USBank to finance the project.
  - ii. USBank is given a “leasehold interest” in the financed asset until full repayment.
  - iii. No rent is obligated as part of this agreement. The State receives proceeds of the COP from the Trustee as consideration paid.
- c. See PDF for relevant highlighted passages

### **4. Financed Purchase of an Asset Agreement (p. 43)**

- a. Parties: USBank (Trustee) and the State
- b. Purpose:
  - i. Leaseback from USBank to the State in return for "base rent" payments, i.e. annually appropriated amounts to begin in FY2028.
  - ii. Establishes that USBank will issue the certificates and that the proceeds will finance the projects.
  - iii. Commits the Financed Asset as collateral, though allows for substitution, and details the release upon repayment.
- c. See PDF for relevant highlighted passages

### **5. Master Trust Indenture (p. 82)**

- a. Parties: USBank (Trustee)
- b. Purpose:
  - i. Authorizes and describes all details of the certificates, including execution, delivery, payment, and security/collateral.
  - ii. Includes the glossary of terms used in the related documents.
- c. See PDF for relevant highlighted passages

### **6. Supplemental Indenture (p. 134)**

- a. Parties: USBank (Trustee)
- b. Purpose:
  - i. Provides for the issuance and payment of and security for the Certificates as additional terms to the Master Indenture.
  - ii. Creates a project account for each institution's project and the amount to be funded for each.
- c. See PDF for relevant highlighted passages

### **7. Preliminary Official Statement (p. 153)**

- a. Parties: The State
- b. Purpose:
  - i. This is an investor-facing publication used to market the COPs.



- ii. Provides information in connection with the delivery and sale of the COP, including relevant documents, parties, project descriptions, how the proceeds will be used, risk factors, and remedies, as well as the maturity, principal amount, interest rate and pricing information for the Certificates.
  - iii. After the certificates have been marketed and sold, an Official Statement will be published with all the final terms.
- c. See PDF for relevant highlighted passages
- 8. **Certificate Purchase Agreement (p. 247)**
  - a. Parties: the State, USBank, and BofA Securities (on behalf of underwriters)
  - b. Purpose:
    - i. The offer from the underwriting banks to the State and USBank to purchase the COPs for resale to investors.
    - ii. Purchase is made in exchange for the right to receive revenues (“base rent” payments) per the Financed Purchase of an Asset Agreement.
  - c. See PDF for relevant highlighted passages

Note: All the documents above, except the UNC Resolution, are drafts to be finalized prior to the issuance of the Series 2024 Certificates of Participation.

**A RESOLUTION AUTHORIZING AND APPROVING A SITE LEASE OF CERTAIN ASSETS IN CONNECTION WITH THE STATE OF COLORADO HIGHER EDUCATION HEALTH SCIENCES FACILITIES CERTIFICATES OF PARTICIPATION SERIES 2024 AND AUTHORIZING AND RATIFYING CERTAIN ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Board of Trustees of The University of Northern Colorado (the “Board” or the “Site Lessor”) is a constitutionally established body corporate under Article VIII, Section 5 of the Constitution of the State of Colorado (the “State”) and Section 23-40-104(1)(a) Colorado Revised Statutes, as amended, duly authorized to carry out and effectuate the purposes of the Board in accordance with such powers and authority; and

WHEREAS, capitalized terms used but not defined in this resolution have the meanings assigned to them in the Glossary attached as Appendix A to the Master Trust Indenture, executed by U.S. Bank Trust Company, National Association (the “Trustee”), as such Glossary may be amended, supplemented and restated from time to time;

WHEREAS, the State is authorized by the State constitution and laws of the State and particularly House Bill 24-1231 (“HB 24-1231”) and Colorado Revised Statute §24-36-101, *et seq.* (the “Act”) to execute one or more Financed Asset Agreements to finance the UNC Building Project and affiliated facilities at the Site Lessor’s campus in Greeley, Colorado;

WHEREAS, the State is authorized pursuant to the HB 24-1231 and the Act to enter into ancillary agreements and instruments as deemed necessary or appropriate in connection with the Financed Asset Agreement, including, but not limited to, site leases, easements or other instruments relating to the facilities being purchased;

WHEREAS, the Site Lessor owns the land described in Exhibit A (the “Land”) attached to the Site Lease (the “Site Lease”) and any buildings, structures and improvements now or hereafter located on the Land (the Land and such buildings, structures and improvements, collectively, are referred to as the “Financed Asset”);

WHEREAS, the Site Lessor will lease the Financed Asset subject to the Site Lease to the State which will sublease such Financed Asset to the Trustee in its capacity as trustee under the Master Indenture and Series 2024A Supplemental Indenture (the “Supplemental Indenture”) pursuant to the Site Sublease and the Trustee will lease the Financed Asset back to the State pursuant to a Financed Asset Agreement (“Financed Asset Agreement”); and

WHEREAS, Certificates will be executed and delivered pursuant to the Master Indenture and Supplemental Indenture and the proceeds of the Certificates will be used pursuant to the terms thereof to finance all or a portion of the Costs of the UNC Building Project of the Site Lessor;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTHERN COLORADO:

1. The Board hereby authorizes and approves the Site Lease and any and all documents, agreements and certificates contemplated or required thereby (collectively, the “Board Documents”).

2. The following individuals, namely: the Chair of the Board, the President of UNC, the Vice President and Chief Financial Officer of The University of Northern Colorado (“UNC”) and Treasurer of the Board and any other member of the Board as may be designated by the Board (and any other officers authorized by law to act on their behalf in their absence) are each hereby individually authorized to execute the Board Documents.

3. The appropriate officers of the Board and UNC are hereby authorized to take such further actions as are deemed necessary and desirable in connection with the transactions described in this resolution. All action previously taken by the Board and the appropriate officers of the Board and UNC directed toward the transactions described herein are hereby ratified, approved and confirmed.

4. The Board intends to undertake the construction, repair and acquisition of the UNC Building Project. The Board intends to use the proceeds of the Certificates described in this Resolution to finance the UNC Building Project. The Board expects to pay certain capital expenditures (the “Reimbursement Expenditures”) in connection with the UNC Building Project prior to the execution and delivery of the Certificates for the purpose of financing the costs of the UNC Building Project on a long-term basis. The Board reasonably expects that the Certificates will be executed and delivered by it for the purpose of financing the cost of the UNC Building Project on a long-term basis and that certain of the proceeds of such Certificates, in the maximum currently expected principal amount of \$500,000, will be used to reimburse the Board for the Reimbursement Expenditures. The Board hereby declares its official intent to use a portion of the proceeds of the Certificates, up to the amount noted in the preceding sentence, to reimburse the Board for the Reimbursement Expenditures. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2.

5. If any section, paragraph, clause or provision of this resolution 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 resolution.

6. This resolution shall be in full force and effect upon its passage and adoption.

ADOPTED AND APPROVED as of August 6, 2024.

[SEAL]

BOARD OF TRUSTEES OF THE UNIVERSITY  
OF NORTHERN COLORADO

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

ATTEST:

By \_\_\_\_\_  
Name Tamra J. English  
Title General Counsel and Secretary to the Board of Trustees

# Site Lease

**DRAFT AND SUBJECT TO CHANGE**

After recording return to:  
Michael R. McGinnis  
Greenberg Traurig, LLP  
1144 15<sup>th</sup> Street, Suite 3300  
Denver, Colorado 80202

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## **SITE LEASE**

by and between

**THE BOARD OF TRUSTEES FOR  
THE UNIVERSITY OF NORTHERN COLORADO,**  
as Site Lessor

and

**STATE OF COLORADO,**  
as Site Lessee

Dated as of \_\_\_\_ 1, 2024

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**SITE LEASE**

This Site Lease (this “Site Lease”) is dated as of \_\_\_\_ 1, 2024 and is entered into by and between The Board of Trustees for the University of Northern Colorado (the “Lessor”), as lessor, and the State of Colorado (the “Lessee”), as lessee. *Capitalized terms used but not defined in this Site Lease have the meanings assigned to them in the Glossary attached to the State of Colorado Higher Education Health Sciences Facilities Master Trust Indenture dated as of \_\_\_\_ 1, 2024 (“Master Indenture”), as such Glossary may be amended, supplemented and restated from time to time.*

**RECITALS**

A. The Lessor owns the land described in Exhibit A attached hereto (the “Land”) and the buildings, structures and improvements now or hereafter located on the Land (the Land and such buildings, structures and improvements, collectively, are referred to as the “Financed Asset”).

**Commented [LM1]:** UNC (lessor) intends to lease the site to the State (lessee).

B. The Lessor is authorized by the Act to, and will, lease the Financed Asset to the Lessee pursuant to this Site Lease; and

**Commented [LM2]:** References HB24-1231.

C. The Lessee desires to finance improvements to the Financed Asset for the benefit of health sciences education programs for medical professions (the “Project”), pursuant to the Act; and

D. In order to assist in the financing of the costs of the Project, the Lessor desires to demise to the Lessee, pursuant to this Site Lease, a leasehold interest in the Financed Asset for good and valuable consideration; and

E. The Lessor and the Lessee are executing and delivering and will perform their obligations under this Site Lease in order to facilitate the issuance of the State of Colorado Higher Education Health Sciences Facilities Certificates of Participation, Series 2024 (the “Series 2024 Certificates”), evidencing undivided interests in the right to receive certain revenues payable by the Lessee; and

F. In connection with the issuance of the Series 2024 Certificates, the Lessee will sublease (the “Site Sublease”) the Financed Asset to U.S. Bank Trust Company, National Association (“Trustee”) pursuant to a Site Sublease, and the Trustee will lease the Financed Asset back to the Lessee pursuant to a Financed Asset Agreement (“Financed Asset Agreement”); and

F. The Lessor has determined that the lease of the Financed Asset to the Lessee pursuant to this Site Lease is in the best interests of the Lessor and the Lessee, and its residents.

**AGREEMENT**

For and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, the parties hereto hereby agree as follows:

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**ARTICLE I**  
**CERTIFICATIONS, REPRESENTATIONS AND AGREEMENTS**

**Section 1.01. Representations, Covenants and Warranties by Lessee.** The Lessee hereby certifies, represents and agrees that all the certifications, representations and agreements of the Lessee set forth in the Financed Asset Agreement, are true and accurate and makes the same certifications, representations and agreements under this Site Lease as if set forth in full herein.

**Section 1.02. Certifications, Representations and Agreements by Lessor.** The Lessor certifies, represents and agrees that:

(a) The Lessor is the owner of the fee interest in the Financed Asset, subject only to Permitted Encumbrances.

(b) The execution, delivery and performance of this Site Lease have been duly authorized by the Lessor.

(c) The Lessor has received all approvals and consents required for its execution, delivery and performance of its obligations under this Site Lease.

(d) This Site Lease has been duly executed and delivered by the Lessor and is enforceable against the Lessor in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity.

(e) The execution, delivery and performance of this Site Lease does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, or constitute a default under any of the foregoing, violate any Requirement of Law applicable to the Lessor, or, result in the creation or imposition of a lien or encumbrance whatsoever upon any other property or assets of the Lessor.

(f) There is no litigation or proceeding pending or threatened against the Lessor or any other Person that may affect the right of the Lessor to execute, deliver or perform the obligations of the Lessor under this Site Lease.

(g) The Lessor is not aware of any current violation of any Requirement of Law relating to the Financed Asset.

**ARTICLE II**  
**DEMISING CLAUSE; ENJOYMENT OF FINANCED ASSET**

**Section 2.01. Demising Clause.** The Lessor demises and leases the land described in Exhibit A hereto (the "Land" for purposes of this Site Lease) and the buildings, structures and improvements now or hereafter located on the Land (the "Financed Asset" for purposes of this Site Lease) to the Lessee in accordance with the terms of this Site Lease, subject only to Permitted Encumbrances, to have and to hold for the Site Lease Term.

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**Section 2.02. Enjoyment of Financed Asset.** The Lessee covenants that, during the Site Lease Term and so long as no Event of Default hereunder shall have occurred, the Lessee shall peaceably and quietly have, hold and enjoy the Financed Asset without suit, trouble or hindrance from the Lessor, except as expressly required or permitted by this Site Lease.

**ARTICLE III  
SITE LEASE TERM; TERMINATION OF SITE LEASE**

**Section 3.01. Site Lease Term.**

(a) The Site Lease Term shall commence on the date this Site Lease is executed and delivered and shall expire upon the earliest of any of the following events:

- (i) November 1, 20\_\_;
- (ii) the purchase and conveyance of all the Financed Asset subject to the Financed Asset Agreement by the Lessee pursuant to Section 7.01 of the Financed Asset Agreement; or
- (iii) termination of this Site Lease following an Event of Default under this Site Lease in accordance with Section 10.02(a) hereof.

**Section 3.02. Effect of Termination of Site Lease Term.** Upon termination of the Site Lease Term, all unaccrued obligations of the Trustee hereunder shall terminate, but all obligations of the Trustee that have accrued hereunder prior to such termination shall continue until they are discharged in full.

**ARTICLE IV  
PURPOSE**

The Lessee shall use the Financed Asset for the purpose of subletting the same to the Trustee pursuant to the Site Sublease; provided that upon the occurrence of an Event of Nonappropriation or an Event of Default under the Site Sublease, an Event of Default under the Financed Asset Agreement or an Event of Default under the Indenture, the Lessee shall vacate the Financed Asset as provided in the Financed Asset Agreement, the Trustee may exercise the remedies provided in the Financed Asset Agreement and the Indenture and the Trustee may use or sublet the Financed Asset for any lawful purposes.

**ARTICLE V  
RENT**

The Lessee is not obligated to pay any rent under this Site Lease. The consideration paid by the Lessee to the Lessor for the right to use the Financed Asset during the Site Lease Term is the deposit of proceeds of the Series 2024 Certificates issued by the Trustee into the [Higher Education Buildings] Project Account held by the Trustee under the Indenture to finance the [Higher Education] Building Projects.

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ARTICLE VI  
TITLE TO FINANCED ASSET; ENCUMBRANCES, EASEMENTS, MODIFICATIONS,  
SUBSTITUTION, DAMAGE, PERSONAL PROPERTY

**Section 6.01. Title to Financed Asset.** Title to the Financed Asset shall be held in the name of the Lessor, subject to this Site Lease, the Site Sublease and the Financed Asset Agreement.

**Commented [LM3]:** UNC maintains title, though the Trustee becomes a leasehold owner through the Financed Asset Agreement. UNC is not allowed to dispose or otherwise assign the property to anyone else until the collective agreements are terminated.

**Section 6.02. Limitations on Disposition of and Encumbrances on Financed Asset.** Except as otherwise permitted in this Article or Articles VII or VIII hereof and except for Permitted Encumbrances, the Lessor shall not sell, assign, transfer or convey any portion of or any interest in the Financed Asset or directly or indirectly create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Financed Asset.

**Section 6.03. Granting of Easements.** The Lessor shall, at the request of the Trustee consent to grants of easements, licenses, rights-of-way and other rights or privileges in the nature of easements with respect to the Financed Asset on the same terms and in the same manner as the Trustee is required to do so pursuant to [Section 6.03] of the Financed Asset Agreement.

**Section 6.04. Subleasing and Other Grants of Use.** The Lessee is expressly authorized to sublease the Financed Asset to the Trustee pursuant to the Site Sublease and the Trustee is expressly authorized to sublease the Financed Asset back to the Lessee pursuant to the Financed Asset Agreement. The Trustee is expressly authorized to lease or sublease the Financed Asset to or create other interests in the Financed Asset for the benefit of any other Person or Persons in connection with the exercise of the Trustee's remedies under the Financed Asset Agreement and the Indenture following an Event of Default or Event of Nonappropriation under the Financed Asset Agreement.

**Section 6.05. Substitution of Other Property for Financed Asset.** If the Lessee substitutes other real property under the Financed Asset Agreement for any portion of the Financed Asset, the property so substituted under the Financed Asset Agreement may also be substituted for Financed Asset under this Site Lease in any manner and on any terms determined by the Lessee in its sole discretion.

**Commented [LM4]:** Allows UNC to use other buildings or real property as collateral, if needed. Our intent is to use the COM building unless the underwriters require something different.

**Section 6.06. Property Damage, Defect or Title Event.** If a Property Damage, Defect or Title Event occurs with respect to any portion of the Financed Asset, the Net Proceeds received as a consequence thereof shall be deposited and used in accordance with [Section 6.06] of the Financed Asset Agreement.

**Section 6.07. Personal Property of Lessor, Lessee and Others.** The Lessor, the Lessee and any other Person who has the right to use the Financed Asset under this Site Lease, at its own expense, may install equipment and other personal property in or on any portion of the Financed Asset, which equipment or other personal property shall not become part of the Financed Asset unless it is permanently affixed to the Financed Asset or removal of it would materially damage the Financed Asset, in which case it will become part of the Financed Asset.

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**ARTICLE VII  
LICENSES AND SHARED UTILITIES**

**Section 7.01. Access Licenses.** The Lessor grants to the Lessee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, during the Site Lease Term, a non-exclusive blanket license over, upon and through the roadways, drive lanes, parking areas and sidewalks now or hereafter located on real property owned by the Lessor that is adjacent to but not included in the Financed Asset (the “Access Area”) for the purpose of walking upon, moving equipment and goods and supplies through and driving vehicles upon, over and across all of the sidewalk areas, entrances, drives, lanes and parking areas, alleys and other areas for ingress and egress to and from the Financed Asset; provided that such license shall not conflict with or adversely affect the use of the Access Area by the Lessor and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them. The Lessee grants to the Lessor and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, a non-exclusive blanket license over, upon and through the roadways, drive lanes, parking areas and sidewalks now or hereafter located on the Financed Asset for the purpose of walking upon, moving equipment and goods and supplies through and driving vehicles upon, over and across all of the sidewalk areas, entrances, drives, lanes and parking areas, alleys and other areas for ingress and egress to and from the Access Area; provided that such license shall not conflict with or adversely affect the Trustee’s use of the Financed Asset.

**Section 7.02. Appurtenant Staging Areas Licenses.** The Lessor grants to the Lessee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, during the Site Lease Term, non-exclusive licenses over, upon and through real property owned by the Lessor that is adjacent to but not included in the Financed Asset (the “Appurtenant Staging Area”) for the purposes of constructing, placing, operating and maintaining all necessary pipes, vents, conduits, wires and utilities necessary to maintain and operate the Financed Asset and for the maintenance of any nonmaterial encroachments of the improvements constituting the Financed Asset; provided that such license shall not adversely affect the use of the Appurtenant Staging Area by the Lessor and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them. The Lessee grants to the Lessor and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, during the Site Lease Term, non-exclusive licenses over, upon and through the Financed Asset for the purposes of constructing, placing, operating and maintaining all necessary pipes, vents, conduits, wires and utilities necessary to maintain and operate the Appurtenant Staging Area and for the maintenance of any nonmaterial encroachments of the improvements constituting the Appurtenant Staging Area; provided that such license shall not adversely affect the use of the Financed Asset by the Lessee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them.

**Section 7.03. Offsite Parking Licenses.** The Lessor grants to the Lessee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, during the Site Lease Term, a non-exclusive license for the use of areas designated as parking areas, and access to and from such parking areas, now or hereafter located on real property owned by the Lessor but not included in the Financed Asset (the “Offsite Parking Area”) for the purpose of parking of passenger vehicles in connection with the use of the Financed Asset by the Lessee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of

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all of them; provided that such license shall not conflict with or adversely affect the use of the Offsite Parking Area by the Lessor and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them; and provided, further that, the Lessor reserves the right to implement and enforce reasonable rules and regulations for the use of the Offsite Parking Area, including, without limitation: (a) to direct and regulate vehicular traffic and provide safe vehicular access to and from the Offsite Parking Area; (b) to specify and enforce rules and regulations with regard to the use of the Offsite Parking Area spaces; (c) to designate certain parking spaces to be used only by handicapped drivers, employees or visitors; (d) to implement and enforce parking fees and fines; and (e) to restrict time periods for permitted parking. The Lessee grants to the Lessor and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, during the Site Lease Term, a non-exclusive license for the use of areas designated as parking areas, and access to and from such parking areas, now or hereafter located on the Financed Asset (the "Onsite Parking Area") for the purpose of parking of passenger vehicles (buses and similar vehicles excluded) in connection with the use of other real property not included in the Financed Asset by the Lessor and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them; provided that such license shall not conflict with or adversely affect the use of the Onsite Parking Area by the Lessee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them; and provided, further that, the Lessee reserves the right to implement and enforce reasonable rules and regulations for the use of the Onsite Parking Area similar to those implemented and enforced by the Lessor with respect to the Offsite Parking Area.

**Section 7.04. Utilities.** The Lessor agrees to provide the Financed Asset with all gas, water, steam, electricity, heat, power and other utilities on a continuous basis except for periods of repair, and to pay for the costs of such utilities. Pursuant to the Financed Asset Agreement, the Lessee has agreed to reimburse the Trustee for such costs during the Lease Term of the Financed Asset Agreement, if the Trustee incurs any such costs. If (a) the Financed Asset Agreement is terminated for any reason, (b) this Site Lease is not terminated and (c) the Trustee leases or subleases all or any portion of the Financed Asset or assigns an interest in this Site Lease, the lessee, sublessee or assignee, as a condition to such lease, sublease or assignment, must agree to reimburse the Lessor for such costs.

**ARTICLE VIII  
GENERAL COVENANTS**

**Section 8.01. Further Assurances and Corrective Instruments.** So long as this Site Lease is in full force and effect, the Lessor and the Lessee shall have full power to carry out the acts and agreements provided herein and the Lessor and the Lessee, at the written request of the other, shall from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Financed Asset leased or intended to be leased hereunder, or for otherwise carrying out the intention of or facilitating the performance of this Site Lease.

**Section 8.02. Compliance with Requirements of Law.** On and after the date hereof, the Lessor shall not take any action with respect to the Financed Asset that violates the terms hereof or is contrary to the provisions of any Requirement of Law.

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## ARTICLE IX LIMITS ON OBLIGATIONS

**Section 9.01. Limitation of Obligations of the Lessee.** No provision of the Series 2024 Certificates, the Indenture, the Financed Asset Agreement, the Site Sublease or this Site Lease shall be construed or interpreted (a) to directly or indirectly obligate the Lessee to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the Lessee within the meaning of Article XI, Section 3 or Article X, Section 20 of the Colorado Constitution or any other constitutional or statutory limitation or provision; (c) as a delegation of governmental powers by the Lessee; (d) as a loan or pledge of the credit or faith of the Lessee or as creating any responsibility by the Lessee for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Colorado Constitution; or (e) as a donation or grant by the Lessee to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the Colorado Constitution.

**Section 9.02. Financial Obligations of the Trustee Limited to Trust Estate.** Notwithstanding any other provision hereof, any financial obligations of the Trustee under this Site Lease, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate.

## ARTICLE X EVENTS OF DEFAULT AND REMEDIES

**Section 10.01. Event of Default Defined.** An “Event of Default” under this Site Lease shall be deemed to have occurred upon failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period of 30 days after written notice, specifying such failure and requesting that it be remedied shall be given to the Lessee by the Lessor, unless the Lessor shall consent in writing to an extension of such time prior to its expiration; provided, however, that:

(a) if the failure stated in the notice cannot be corrected within the applicable period, the Lessor shall not withhold its consent to an extension of such time if corrective action shall be instituted within the applicable period and diligently pursued until the default is corrected; and

(b) if, by reason of Force Majeure, the Lessee shall be unable in whole or in part to carry out any agreement on its part herein contained the Lessee shall not be deemed in default during the continuance of such inability; provided, however, that the Lessee shall, as promptly as legally and reasonably possible, remedy the cause or causes preventing the Lessee from carrying out such agreement, except that the settlement of strikes, lockouts and other industrial disturbances shall be solely within the discretion of the Lessee.

**Section 10.02. Remedies on Default.** Whenever any Event of Default shall have happened and be continuing, the Lessor may take one or any combination of the following remedial steps:



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(a) terminate the Site Lease Term and give notice to the Lessee to immediately vacate the Financed Asset;

(b) enforce any provision of this Site Lease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under Article XI hereof by specific performance, writ of mandamus or other injunctive relief; and

(c) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Financed Asset under this Site Lease, subject, however, to the limitations on the obligations of the Lessee set forth in Section 9.02 hereof.

**Section 10.03. No Remedy Exclusive.** Subject to Section 9.02 hereof, no remedy herein conferred upon or reserved to the Lessor is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

**Section 10.04. Waivers.** The Lessor may waive any Event of Default under this Site Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**ARTICLE XI  
TRANSFERS OF INTERESTS IN LEASE OR FINANCED ASSET**

**Section 11.01. Assignment by Lessor.** The Lessor shall not, except as otherwise provided elsewhere in this Site Lease, assign, convey or otherwise transfer to any Person any of the Lessor's interest in the Financed Asset or the Lessor's rights, title or interest in, to or under this Site Lease.

**Section 11.02. Transfer of the Lessee's Interest in Lease and Financed Asset Prohibited.** Except as otherwise permitted by Section 6.04 hereof with respect to subleasing or grants of use of the Financed Asset and Section 6.05 hereof with respect to substitutions or as otherwise required by law, the Lessee shall not sublease, assign, encumber, convey or otherwise transfer all or any portion of its interest in this Site Lease or the Financed Asset to any Person, whether now in existence or organized hereafter.

**ARTICLE XII  
MISCELLANEOUS**

**Section 12.01. Binding Effect.** This Site Lease shall inure to the benefit of and shall be binding upon the Lessee and the Lessor and their respective successors and assigns. This Site Lease and the covenants set forth herein are expressly intended to be covenants, conditions and restrictions running with the Financed Asset and the leasehold estate in the Financed Asset under this Site Lease.

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**Section 12.02. Interpretation and Construction.** This Site Lease and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Site Lease. For purposes of this Site Lease, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this Site Lease to designated “Articles,” “Sections,” “subsections,” “paragraphs,” “clauses” and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses and other subdivisions of this Site Lease. The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder” and other words of similar import refer to this Site Lease as a whole and not to any particular Article, Section or other subdivision.

(b) The terms defined in the Glossary have the meanings assigned to them in the Glossary and include the plural as well as the singular.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time.

(d) The term “money” includes any cash, check, deposit, investment security or other form in which any of the foregoing are held hereunder.

(e) In the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and each of the words “to” and “until” means “to but excluding.”

**Section 12.03. Acknowledgement of Site Sublease and Lease Purchase Agreement.** The Lessor hereby acknowledges the terms of the Site Sublease and the Financed Asset Agreement.

**Section 12.04. Lessee and Lessor Representatives.** Whenever under the provisions hereof, the approval of the Lessee or the Lessor is required, or the Lessee or the Lessor is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Lessee by the Lessee Representative and for the Lessor by the Lessor Representative.

**Section 12.05. Manner of Giving Notices.** All notices, certificates or other communications hereunder shall be in writing and shall be deemed given when mailed by first class United States mail, postage prepaid, or when sent by facsimile transmission or electronic mail, addressed as follows: if to the Lessor, to the University of Northern Colorado, 501 20<sup>th</sup> Street, Campus Box 1, Greeley, CO 80639, Attention: Dale Pratt, electronic mail address: dale.pratt@unco.edu, with a copy to the University of Northern Colorado, 501 20<sup>th</sup> Street, Campus Box 1, Greeley, CO 80639, Attention: General Counsel, electronic mail address: general.counsel@unco.edu; and if to the Lessee, to the Colorado State Treasurer, 140 State Capitol, Denver, CO 80203, Attention: Debt Manager, electronic mail address: james.eke@state.co.us, with a copy to Colorado State Controller, 1525 Sherman Street, 5<sup>th</sup> Floor, Denver, Colorado 80203, Attention: Robert Jaros, facsimile number: 303-866-4233, electronic mail address: bob.jaros@state.co.us. Any notice party may, by written notice to the others,

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designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**Section 12.06. No Individual Liability.** All covenants, stipulations, promises, agreements and obligations of the Lessee or the Lessor, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Lessor or the Lessee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the Lessor or the Lessee in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the Lessor or the Lessee or any natural person executing this Site Lease or any related document or instrument; provided that such person is acting within the scope of his or her employment, membership, directorship or agency, as applicable, and not in a manner that constitutes gross negligence or willful misconduct.

**Section 12.07. Amendments, Changes and Modifications.** Except as otherwise provided herein or in the Indenture, this Site Lease may only be amended, changed, modified or altered by a written instrument executed by the Lessor and the Lessee; and the Lessee shall, if and when requested by the Lessor, execute and deliver any amendment to this Site Lease proposed by the Lessor upon delivery to the Lessee of an opinion of Bond Counsel stating that such amendment does not violate the Indenture or the Leases.

**Section 12.08. Events Occurring on Days that are not Business Days.** If the date for making any payment or the last day for performance of any act or the exercising of any right under this Site Lease is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Site Lease.

**Section 12.09. Legal Description of Land Included in Financed Asset.** The legal description of the land included in the Financed Asset subject to this Site Lease is set forth in Exhibit A hereto. If the land included in the Financed Asset subject to this Site Lease is modified pursuant to the terms of this Site Lease or other land is substituted for land included in the Financed Asset subject to this Site Lease pursuant to the terms of this Site Lease, the legal description set forth in Exhibit A hereto will be amended to describe the land included in the Financed Asset subject to this Site Lease after such modification or substitution.

**Section 12.10. Merger.** The Lessor and the Lessee intend that the legal doctrine of merger shall have no application to this Site Lease, the Site Sublease or the Financed Asset Agreement and that none of the execution and delivery of this Site Lease by the Lessor and the Lessee and the Financed Asset Agreement and Site Sublease by the Trustee and the Lessee or the exercise of any remedies by any party under this Site Lease, the Site Sublease or the Financed Asset Agreement shall operate to terminate or extinguish this Site Lease, the Site Sublease or the Financed Asset Agreement.

**Section 12.11. Severability.** In the event that any provision of this Site Lease, other than the obligation of the Lessor to provide quiet enjoyment of the Financed Asset, shall be held invalid

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or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 12.12. Captions.** The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Site Lease.

**Section 12.13. Applicable Law.** The laws of the State and rules and regulations issued pursuant thereto, as the same may be amended from time to time, shall be applied in the interpretation, execution and enforcement of this Site Lease. Any provision of this Site Lease, whether or not incorporated herein by reference, which provides for arbitration by an extra-judicial body or person or which is otherwise in conflict with said laws, rules and regulations shall be considered null and void. Nothing contained in any provision hereof or incorporated herein by reference which purports to negate this Section in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense or otherwise. Any provision rendered null and void by the operation of this Section will not invalidate the remainder of this Site Lease to the extent that this Site Lease is capable of execution. At all times during the performance of this Site Lease, the Lessor and the Lessee shall strictly adhere to all applicable federal and State laws, rules and regulations that have been or may hereafter be established.

**Section 12.14. Execution in Counterparts.** This Site Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 12.15. Value of Land.** The Lessor estimates that the value of the land included in the Financed Asset as of the date this Site Lease is entered into is approximately \$1,887,000.00.

[remainder of page intentionally left blank]

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IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Site Lease as of the date first above written.

THE BOARD OF TRUSTEES FOR THE  
UNIVERSITY OF NORTHERN  
COLORADO

By \_\_\_\_\_

STATE OF COLORADO  
Jared S. Polis, Governor, Department of the  
Treasury

By \_\_\_\_\_  
David L. Young, Treasurer

**APPROVALS:**

ATTORNEY GENERAL  
PHILIP J. WEISER

STATE CONTROLLER  
ROBERT JAROS, MBA, CPA, JD

By \_\_\_\_\_  
Lori Ann Knutson, First Assistant  
Attorney General

By \_\_\_\_\_  
Robert Jaros, State Controller

STATE OF COLORADO  
JARED S. POLIS, GOVERNOR  
DEPARTMENT OF PERSONNEL &  
ADMINISTRATION  
OFFICE OF THE STATE ARCHITECT  
TANA M. KANE, AIA

By \_\_\_\_\_  
Tana M. Lane, State Architect

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STATE OF COLORADO                    )  
  ) ss.  
CITY AND COUNTY OF DENVER        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024  
by \_\_\_\_\_ as an authorized signatory of [Name of Higher Ed Institution].

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

\_\_\_\_\_  
Notary

My commission expires:

\_\_\_\_\_

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STATE OF COLORADO                    )  
  ) ss.  
CITY AND COUNTY OF DENVER        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024,  
by David L. Young as Treasurer of the State of Colorado.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

\_\_\_\_\_  
Notary

My commission expires:

\_\_\_\_\_

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EXHIBIT A

DESCRIPTION OF FINANCED ASSET

Commented [LM5]: Final version and legal description to be provided by the Attorney General's Office.

The Financed Asset for the UNC Building Project is located at 1200 West 20th Street, Greeley, CO 80639. The construction site is approximately 14 acres at the northeast corner of the larger 135-acre parcel. The site is bordered by West 20th Street on the north and 11th Avenue on the east. From 11th Avenue, it extends west ~850 feet and from West 20th Street it extends south ~750 feet. The legal description for the larger parcel is GR 12574 WEST CAMPUS ADD-PT NE4 18 5 65 (sourced from Weld County Property Report at <https://propertyreport.weld.gov/?account=R3569786>).



ACTIVE 698739336v2



# Site Sublease

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After recording return to:  
Michael R. McGinnis  
Greenberg Traurig, LLP  
1144 15<sup>th</sup> Street, Suite 3300  
Denver, Colorado 80202

---

## **SITE SUBLEASE**

by and between

**STATE OF COLORADO,**  
as Site Lessor

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,**  
**solely in its capacity as Trustee under the Indenture identified herein,**  
as Site Sublessee

Dated as of \_\_\_\_\_ 1, 2024

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**STATE OF COLORADO  
HIGHER EDUCATION HEALTH SCIENCES FACILITIES  
SERIES 2024 SITE SUBLEASE**

This State of Colorado Higher Education Health Sciences Facilities Site Sublease (this “Site Sublease”) is dated as of \_\_\_\_\_1, 2024 and is entered into by and between the State of Colorado (the “State”), as lessor, and U.S. Bank Trust Company, National Association, a national banking association duly organized and validly existing under the laws of the United States, solely in its capacity as trustee under the Indenture (the “Trustee”), as lessee. *Capitalized terms used but not defined in this Site Sublease have the meanings assigned to them in the Glossary attached to the State of Colorado Higher Education Health Sciences Facilities Master Trust Indenture dated as of \_\_\_\_\_1, 2024 (“Master Indenture”), as such Glossary may be amended, supplemented and restated from time to time.*

RECITALS

A. The State is the lessee of the land described in Exhibit A attached hereto (the “Land”) and the buildings, structures and improvements now or hereafter located on the Land (the Land and such buildings, structures and improvements, collectively, are referred to as the “Financed Asset”).

B. The State is authorized by the Act to, and will, sublease the Financed Asset to the Trustee pursuant to this Site Sublease.

Commented [LM1]: HB24-1231

C. The State desires to finance improvements to certain health sciences facilities on the Financed Asset (the “Project”), pursuant to the Act; and

D. In order to finance the costs of the Project, the State desires to demise to the Trustee, pursuant to this Site Sublease, a leasehold interest in the Financed Asset for good and valuable consideration, and sublease the Financed Asset back from the Trustee pursuant to that certain Series 2024 Financed Purchase of an Asset Agreement dated as of the date of this Site Sublease (the “2024 Financed Asset Agreement”) between the Trustee, as lessor, and the State, as lessee; and

E. The Trustee is executing and delivering and will perform its obligations under this Site Sublease as trustee under the Master Indenture, and the Series 2024 Supplemental Trust Indenture dated as of the date hereof by the Trustee (collectively, the “Indenture”) pursuant to which there are being executed and delivered by the Trustee the State of Colorado Higher Education Health Sciences Facilities Certificates of Participation, Series 2024 (the “Series 2024 Certificates”), evidencing undivided interests in the right to receive certain revenues payable by the State under the 2024 Financed Asset Agreement (the “Series 2024 Certificates”); and

F. The State has determined that the sublease of the Financed Asset to the Trustee pursuant to this Site Sublease is in the best interests of the State and its residents.

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**AGREEMENT**

For and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, the parties hereto hereby agree as follows:

**ARTICLE I  
CERTIFICATIONS, REPRESENTATIONS AND AGREEMENTS**

**Section 1.01. Representations, Covenants and Warranties by Trustee.** The Trustee hereby certifies, represents and agrees that all the certifications, representations and agreements of the Trustee set forth in Section 6.01 of the Master Indenture are true and accurate and makes the same certifications, representations and agreements under this Site Sublease as if set forth in full herein.

**Section 1.02. Certifications, Representations and Agreements by State.** The State certifies, represents and agrees that:

- (a) The State is the lessee of the Financed Asset pursuant to the Site Leases by and between the State and the Higher Education Institutions, subject only to Permitted Encumbrances.
- (b) The execution, delivery and performance of this Site Sublease have been duly authorized by the State.
- (c) The State has received all approvals and consents required for its execution, delivery and performance of its obligations under this Site Sublease.
- (d) This Site Sublease has been duly executed and delivered by the State and is enforceable against the State in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.
- (e) The execution, delivery and performance of this Site Sublease does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the State is now a party or by which the State is bound, or constitute a default under any of the foregoing, violate any Requirement of Law applicable to the State, or, except as specifically provided in the 2024 Financed Asset Agreement and the Indenture, result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the State.
- (f) There is no litigation or proceeding pending or threatened against the State or any other Person that may affect the right of the State to execute, deliver or perform the obligations of the State under this Site Sublease.

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(g) The State is not aware of any current violation of any Requirement of Law relating to the Financed Asset.

**ARTICLE II  
DEMISING CLAUSE; ENJOYMENT OF FINANCED ASSET**

**Section 2.01. Demising Clause.** The State demises and leases the land described in Exhibit A hereto (the “Land” for purposes of this Site Sublease) and the buildings, structures and improvements now and hereafter located on the Land (the “Financed Asset” for purposes of this Site Sublease) to the Trustee in accordance with the terms of this Site Sublease, subject only to Permitted Encumbrances, to have and to hold for the Site Sublease Term.

**Section 2.02. Enjoyment of Financed Asset.** The State covenants that, during the Site Sublease Term and so long as no Event of Default hereunder shall have occurred, the Trustee shall peaceably and quietly have, hold and enjoy the Financed Asset without suit, trouble or hindrance from the State, except as expressly required or permitted by this Site Sublease.

**ARTICLE III  
SITE SUBLEASE TERM; TERMINATION OF SITE SUBLEASE**

**Section 3.01. Site Sublease Term.**

(a) The Site Sublease Term shall commence on the date this Site Sublease is executed and delivered and shall expire upon the earliest of any of the following events:

- (i) November 1, 2\_\_\_;
- (ii) the purchase and conveyance of all the Financed Asset subject to the 2024 Financed Asset Agreement by the State pursuant to Section 7.01 of the 2024 Financed Asset Agreement; or
- (iii) termination of this Site Sublease following an Event of Default under this Site Sublease in accordance with Section 10.02(a) hereof.

**Section 3.02. Effect of Termination of Site Sublease Term.** Upon termination of the Site Sublease Term, all unaccrued obligations of the Trustee hereunder shall terminate, but all obligations of the Trustee that have accrued hereunder prior to such termination shall continue until they are discharged in full.

**ARTICLE IV  
PURPOSE**

The Trustee shall use the Financed Asset for the purpose of subletting the same to the State pursuant to the 2024 Financed Asset Agreement; provided that upon the occurrence of an Event of Nonappropriation or an Event of Default under the 2024 Financed Asset Agreement or Event of Default under the Indenture, the State shall require each of the Higher Education Institutions to vacate their respective Financed Asset as provided in the Site Leases and the 2024 Financed Asset Agreement, the Trustee may exercise the remedies provided in the 2024 Financed Asset

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Agreement and the Indenture and the Trustee may use or sublet the Financed Asset for any lawful purposes.

**ARTICLE V  
RENT**

The Trustee is not obligated to pay any rent under this Site Sublease. The consideration paid by the Trustee to the State for the right to use the Financed Asset during the Site Sublease Term is the deposit of proceeds of the Series 2024 Certificates issued by the Trustee into the \_\_\_\_\_ Project Account held by the Trustee under the Indenture to finance the Higher Education Projects.

**Commented [LM2]:** The State receives the COP proceeds, which it then releases to UNC per the Site Lease.

**ARTICLE VI  
TITLE TO FINANCED ASSET; ENCUMBRANCES, EASEMENTS, MODIFICATIONS,  
SUBSTITUTION, DAMAGE, PERSONAL PROPERTY**

**Section 6.01. Title to Financed Asset.** Title to the Financed Asset shall be held in the name of each respective Higher Education Institution, subject to its Site Lease, this Site Sublease and the 2024 Financed Asset Agreement.

**Section 6.02. Limitations on Disposition of and Encumbrances on Financed Asset.** Except as otherwise permitted in this Article or Articles VII or VIII hereof and except for Permitted Encumbrances, the State shall not sell, assign, transfer or convey any portion of or any interest in the Financed Asset or directly or indirectly create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Financed Asset.

**Section 6.03. Granting of Easements.** The State shall, at the request of the Trustee consent to grants of easements, licenses, rights-of-way and other rights or privileges in the nature of easements with respect to the Financed Asset on the same terms and in the same manner as the Trustee is required to do so pursuant to Section 6.03 of the 2024 Financed Asset Agreement.

**Section 6.04. Subleasing and Other Grants of Use.** The Trustee is expressly authorized to sublease the Financed Asset to the State pursuant to the 2024 Financed Asset Agreement. The Trustee is expressly authorized to lease or sublease the Financed Asset to or create other interests in the Financed Asset for the benefit of any other Person or Persons in connection with the exercise of the Trustee's remedies under the 2024 Financed Asset Agreement and the Indenture following an Event of Default or Event of Nonappropriation under the 2024 Financed Asset Agreement.

**Section 6.05. Substitution of Other Property for Financed Asset.** If the State makes the decision to substitute other real property under the 2024 Financed Asset Agreement for any portion of the Financed Asset, the property so substituted under the 2024 Financed Asset Agreement shall also be substituted for Financed Asset under the appropriate Site Lease and this Site Sublease in any manner and on any terms determined by the State in its sole discretion.

**Section 6.06. Property Damage, Defect or Title Event.** If a Property Damage, Defect or Title Event occurs with respect to any portion of the Financed Asset, the Net Proceeds received as a consequence thereof shall be deposited and used in accordance with Section 6.06 of the 2024 Financed Asset Agreement.

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**Section 6.07. Personal Property of Trustee, State and Others.** The Trustee, the State and any other Person who has the right to use the Financed Asset under this Site Sublease, at its own expense, may install equipment and other personal property in or on any portion of the Financed Asset, which equipment or other personal property shall not become part of the Financed Asset unless it is permanently affixed to the Financed Asset or removal of it would materially damage the Financed Asset, in which case it will become part of the Financed Asset.

**ARTICLE VII  
LICENSES AND SHARED UTILITIES**

**Section 7.01. Access Licenses.** The State grants to the Trustee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, during the Site Sublease Term, a non-exclusive blanket license over, upon and through the roadways, drive lanes, parking areas and sidewalks now or hereafter located on real property owned by the State that is adjacent to but not included in the Financed Asset (the “Access Area”) for the purpose of walking upon, moving equipment and goods and supplies through and driving vehicles upon, over and across all of the sidewalk areas, entrances, drives, lanes and parking areas, alleys and other areas for ingress and egress to and from the Financed Asset; provided that such license shall not conflict with or adversely affect the use of the Access Area by the State and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them. The Trustee grants to the State and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, a non-exclusive blanket license over, upon and through the roadways, drive lanes, parking areas and sidewalks now or hereafter located on the Financed Asset for the purpose of walking upon, moving equipment and goods and supplies through and driving vehicles upon, over and across all of the sidewalk areas, entrances, drives, lanes and parking areas, alleys and other areas for ingress and egress to and from the Access Area; provided that such license shall not conflict with or adversely affect the Trustee’s use of the Financed Asset.

**Section 7.02. Appurtenant Staging Areas Licenses.** The State grants to the Trustee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, during the Site Sublease Term, non-exclusive licenses over, upon and through real property owned by the State that is adjacent to but not included in the Financed Asset (the “Appurtenant Staging Area”) for the purposes of constructing, placing, operating and maintaining all necessary pipes, vents, conduits, wires and utilities necessary to maintain and operate the Financed Asset and for the maintenance of any nonmaterial encroachments of the improvements constituting the Financed Asset; provided that such license shall not adversely affect the use of the Appurtenant Staging Area by the State and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them. The Trustee grants to the State and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, during the Site Sublease Term, non-exclusive licenses over, upon and through the Financed Asset for the purposes of constructing, placing, operating and maintaining all necessary pipes, vents, conduits, wires and utilities necessary to maintain and operate the Appurtenant Staging Area and for the maintenance of any nonmaterial encroachments of the improvements constituting the Appurtenant Staging Area; provided that such license shall not adversely affect the use of the Financed Asset by the Trustee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them.



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**Section 7.03. Offsite Parking Licenses.** The State grants to the Trustee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, during the Site Sublease Term, a non-exclusive license for the use of areas designated as parking areas, and access to and from such parking areas, now or hereafter located on real property owned by the State but not included in the Financed Asset (the “Offsite Parking Area”) for the purpose of parking of passenger vehicles in connection with the use of the Financed Asset by the Trustee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them; provided that such license shall not conflict with or adversely affect the use of the Offsite Parking Area by the State and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them; and provided, further that, the State reserves the right to implement and enforce reasonable rules and regulations for the use of the Offsite Parking Area, including, without limitation: (a) to direct and regulate vehicular traffic and provide safe vehicular access to and from the Offsite Parking Area; (b) to specify and enforce rules and regulations with regard to the use of the Offsite Parking Area spaces; (c) to designate certain parking spaces to be used only by handicapped drivers, employees or visitors; (d) to implement and enforce parking fees and fines; and (e) to restrict time periods for permitted parking. The Trustee grants to the State and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them, during the Site Sublease Term, a non-exclusive license for the use of areas designated as parking areas, and access to and from such parking areas, now or hereafter located on the Financed Asset (the “Onsite Parking Area”) for the purpose of parking of passenger vehicles (buses and similar vehicles excluded) in connection with the use of other real property not included in the Financed Asset by the State and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them; provided that such license shall not conflict with or adversely affect the use of the Onsite Parking Area by the Trustee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them; and provided, further that, the Trustee reserves the right to implement and enforce reasonable rules and regulations for the use of the Onsite Parking Area similar to those implemented and enforced by the State with respect to the Offsite Parking Area.

**Section 7.04. Utilities.** The State agrees to provide the Financed Asset with all gas, water, steam, electricity, heat, power and other utilities on a continuous basis except for periods of repair, and to pay for the costs of such utilities. Pursuant to the 2024 Financed Asset Agreement, the State has agreed to reimburse the Trustee for such costs during the Lease Term of the 2024 Financed Asset Agreement, if the Trustee incurs any such costs. If (a) the 2024 Financed Asset Agreement is terminated for any reason, (b) the Site Leases are and this Site Sublease are not terminated and (c) the Trustee leases or subleases all or any portion of the Financed Asset or assigns an interest in this Site Sublease, the lessee, sublessee or assignee, as a condition to such lease, sublease or assignment, must agree to reimburse the State for such costs.

**ARTICLE VIII  
GENERAL COVENANTS**

**Section 8.01. Further Assurances and Corrective Instruments.** So long as this Site Sublease is in full force and effect, the Trustee and the State shall have full power to carry out the acts and agreements provided herein and the State and the Trustee, at the written request of the other, shall from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may

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reasonably be required for correcting any inadequate or incorrect description of the Financed Asset leased or intended to be leased hereunder, or for otherwise carrying out the intention of or facilitating the performance of this Site Sublease.

**Section 8.02. Compliance with Requirements of Law.** On and after the date hereof, the State shall not take any action with respect to the Financed Asset that violates the terms hereof or is contrary to the provisions of any Requirement of Law.

**ARTICLE IX  
LIMITS ON OBLIGATIONS**

**Section 9.01. Limitation of Obligations of the State.** No provision of the Series 2024 Certificates, the Indenture, the 2024 Financed Asset Agreement, the Site Leases or this Site Sublease shall be construed or interpreted (a) to directly or indirectly obligate the State to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the State within the meaning of Article XI, Section 3 or Article X, Section 20 of the Colorado Constitution or any other constitutional or statutory limitation or provision; (c) as a delegation of governmental powers by the State; (d) as a loan or pledge of the credit or faith of the State or as creating any responsibility by the State for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Colorado Constitution; or (e) as a donation or grant by the State to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the Colorado Constitution.

**Section 9.02. Financial Obligations of Trustee Limited to Trust Estate.** Notwithstanding any other provision hereof, all financial obligations of the Trustee under this Site Sublease, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate.

**ARTICLE X  
EVENTS OF DEFAULT AND REMEDIES**

**Section 10.01. Event of Default Defined.** An “Event of Default” under this Site Sublease shall be deemed to have occurred upon failure by the Trustee to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period of 30 days after written notice, specifying such failure and requesting that it be remedied shall be given to the Trustee by the State, unless the State shall consent in writing to an extension of such time prior to its expiration; provided, however, that:

(a) if the failure stated in the notice cannot be corrected within the applicable period, the State shall not withhold its consent to an extension of such time if corrective action shall be instituted within the applicable period and diligently pursued until the default is corrected; and

(b) if, by reason of Force Majeure, the Trustee shall be unable in whole or in part to carry out any agreement on its part herein contained the Trustee shall not be deemed in default during the continuance of such inability; provided, however, that the Trustee shall, as promptly as legally and reasonably possible, remedy the cause or causes

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preventing the Trustee from carrying out such agreement, except that the settlement of strikes, lockouts and other industrial disturbances shall be solely within the discretion of the Trustee.

**Section 10.02. Remedies on Default.** Whenever any Event of Default shall have happened and be continuing, the State may take one or any combination of the following remedial steps:

- (a) terminate the Site Sublease Term and give notice to the Trustee to immediately vacate the Financed Asset;
- (b) enforce any provision of this Site Sublease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under Article XI hereof by specific performance, writ of mandamus or other injunctive relief; and
- (c) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Financed Asset under this Site Sublease, subject, however, to the limitations on the obligations of the Trustee set forth in Section 9.02 hereof.

**Section 10.03. No Remedy Exclusive.** Subject to Section 9.02 hereof, no remedy herein conferred upon or reserved to the State is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the State to exercise any remedy reserved in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

**Section 10.04. Waivers.** The State may waive any Event of Default under this Site Sublease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**ARTICLE XI  
TRANSFERS OF INTERESTS IN LEASE OR FINANCED ASSET**

**Section 11.01. Assignment by State.** The State shall not, except as otherwise provided elsewhere in this Site Sublease, assign, convey or otherwise transfer to any Person any of the State's interest in the Financed Asset or the State's rights, title or interest in, to or under this Site Sublease.

**Section 11.02. Transfer of the Trustee's Interest in Lease and Financed Asset Prohibited.** Except as otherwise permitted by Section 6.04 hereof with respect to subleasing or grants of use of the Financed Asset and Section 6.05 hereof with respect to substitutions or as otherwise required by law, the Trustee shall not sublease, assign, encumber, convey or otherwise transfer all or any portion of its interest in this Site Sublease or the Financed Asset to any Person, whether now in existence or organized hereafter.

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**ARTICLE XII  
MISCELLANEOUS**

**Section 12.01. Binding Effect.** This Site Sublease shall inure to the benefit of and shall be binding upon the Trustee and the State and their respective successors and assigns. This Site Sublease and the covenants set forth herein are expressly intended to be covenants, conditions and restrictions running with the Financed Asset and the leasehold estate in the Financed Asset under this Site Sublease.

**Section 12.02. Interpretation and Construction.** This Site Sublease and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Site Sublease. For purposes of this Site Sublease, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this Site Sublease to designated “Articles,” “Sections,” “subsections,” “paragraphs,” “clauses” and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses and other subdivisions of this Site Sublease. The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder” and other words of similar import refer to this Site Sublease as a whole and not to any particular Article, Section or other subdivision.

(b) The terms defined in the Glossary have the meanings assigned to them in the Glossary and include the plural as well as the singular.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time.

(d) The term “money” includes any cash, check, deposit, investment security or other form in which any of the foregoing are held hereunder.

(e) In the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and each of the words “to” and “until” means “to but excluding.”

**Section 12.03. Acknowledgement of Site Leases and 2024 Financed Asset Agreement.** The Trustee hereby acknowledges the terms of the Site Leases and the 2024 Financed Asset Agreement.

**Section 12.04. Trustee and State Representatives.** Whenever under the provisions hereof, the approval of the Trustee or the State is required, or the Trustee or the State is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Trustee by the Trustee Representative and for the State by the State Representative.

**Section 12.05. Manner of Giving Notices.** All notices, certificates or other communications hereunder shall be in writing and shall be deemed given when mailed by first class United States mail, postage prepaid, or when sent by facsimile transmission or electronic

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mail, addressed as follows: if to the Trustee, to U.S. Bank Trust Company, National Association, 950 17<sup>th</sup> Street, 12<sup>th</sup> Floor, Denver, Colorado 80202, Attention: Global Corporate Trust Services, - DN-CO-T12C electronic mail address: \_\_\_\_\_; and if to the State, to the Colorado State Treasurer, 140 State Capitol, Denver, CO 80203, Attention: Debt Manager, facsimile number: 303-866-2123, electronic mail address: james.eke@state.co.us, with a copy to Colorado State Controller, 1525 Sherman Street, 5<sup>th</sup> Floor, Denver, Colorado 80203, Attention: Robert Jaros, facsimile number: 303-866-4233, electronic mail address: bob.jaros@state.co.us. Any notice party may, by written notice to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**Section 12.06. No Individual Liability.** All covenants, stipulations, promises, agreements and obligations of the State or the Trustee, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the State or the Trustee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the State or the Trustee in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the State or the Trustee or any natural person executing this Site Sublease or any related document or instrument; provided that such person is acting within the scope of his or her employment, membership, directorship or agency, as applicable, and not in a manner that constitutes gross negligence or willful misconduct.

**Section 12.07. Amendments, Changes and Modifications.** Except as otherwise provided herein or in the Indenture, this Site Sublease may only be amended, changed, modified or altered by a written instrument executed by the State and the Trustee; and the Trustee shall, if and when requested by the State, execute and deliver any amendment to this Site Sublease proposed by the State upon delivery to the Trustee of an opinion of Bond Counsel stating that such amendment does not violate the Indenture or the Leases.

**Section 12.08. Events Occurring on Days that are not Business Days.** If the date for making any payment or the last day for performance of any act or the exercising of any right under this Site Sublease is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Site Sublease.

**Section 12.09. Legal Description of Land Included in Financed Asset.** The legal description of the land included in the Financed Asset subject to this Site Sublease is set forth in Exhibit A hereto. If the land included in the Financed Asset subject to this Site Sublease is modified pursuant to the terms of this Site Sublease or other land is substituted for land included in the Financed Asset subject to this Site Sublease pursuant to the terms of this Site Sublease, the legal description set forth in Exhibit A hereto will be amended to describe the land included in the Financed Asset subject to this Site Sublease after such modification or substitution.

**Section 12.10. Merger.** The State and the Trustee intend that the legal doctrine of merger shall have no application to this Site Sublease or the 2024 Financed Asset Agreement and that none of the execution and delivery of this Site Sublease by the State and the Trustee and the 2024 Financed Asset Agreement by the Trustee and the State or the exercise of any remedies by any

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party under this Site Sublease or the 2024 Financed Asset Agreement shall operate to terminate or extinguish this Site Sublease or the 2024 Financed Asset Agreement.

**Section 12.11. Severability.** In the event that any provision of this Site Sublease, other than the obligation of the State to provide quiet enjoyment of the Financed Asset, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 12.12. Captions.** The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Site Sublease.

**Section 12.13. Applicable Law.** The laws of the State and rules and regulations issued pursuant thereto, as the same may be amended from time to time, shall be applied in the interpretation, execution and enforcement of this Site Sublease. Any provision of this Site Sublease, whether or not incorporated herein by reference, which provides for arbitration by an extra-judicial body or person or which is otherwise in conflict with said laws, rules and regulations shall be considered null and void. Nothing contained in any provision hereof or incorporated herein by reference which purports to negate this Section in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense or otherwise. Any provision rendered null and void by the operation of this Section will not invalidate the remainder of this Site Sublease to the extent that this Site Sublease is capable of execution. At all times during the performance of this Site Sublease, the State and the Trustee shall strictly adhere to all applicable federal and State laws, rules and regulations that have been or may hereafter be established.

**Section 12.14. Execution in Counterparts.** This Site Sublease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 12.15. Value of Land.** The State estimates that the total value of the land included in the Financed Asset as of the date this Site Sublease is entered into is approximately \$1,887,000.00.

[remainder of page intentionally left blank]

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IN WITNESS WHEREOF, the Trustee and the State have executed this Site Sublease as of the date first above written.

U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, solely in its  
capacity as trustee under the Indenture

By \_\_\_\_\_

STATE OF COLORADO  
Jared S. Polis, Governor, acting by and  
through the Department of the Treasury

By \_\_\_\_\_  
David L. Young, Treasurer

**APPROVALS:**

ATTORNEY GENERAL  
PHILIP J. WEISER

STATE CONTROLLER  
ROBERT JAROS, MBA, CPA, JD

By \_\_\_\_\_  
Lori Ann Knutson, First Assistant  
Attorney General

By \_\_\_\_\_  
Robert Jaros, State Controller

STATE OF COLORADO  
JARED S. POLIS, GOVERNOR  
DEPARTMENT OF PERSONNEL &  
ADMINISTRATION  
OFFICE OF THE STATE ARCHITECT  
TANA M. LANE, AIA

By \_\_\_\_\_  
Tana M. Lane, State Architect

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STATE OF COLORADO                    )  
  ) ss.  
CITY AND COUNTY OF DENVER        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024  
by \_\_\_\_\_ as an authorized signatory of U.S. Bank Trust Company, National  
Association.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

\_\_\_\_\_  
Notary

My commission expires:

\_\_\_\_\_



**DRAFT AND SUBJECT TO CHANGE**

STATE OF COLORADO                    )  
  ) ss.  
CITY AND COUNTY OF DENVER        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024,  
by David L. Young as Treasurer of the State of Colorado.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

\_\_\_\_\_  
Notary

My commission expires:

\_\_\_\_\_

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EXHIBIT A

DESCRIPTION OF FINANCED ASSET

**Commented [LM3]:** Same as Site Lease.

# Financed Purchase of an Asset Agreement

**DRAFT AND SUBJECT TO CHANGE**

After recording return to:  
Michael R. McGinnis  
Greenberg Traurig, LLP  
1144 15<sup>th</sup> Street, Suite 3300  
Denver, Colorado 80202

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**STATE OF COLORADO  
HIGHER EDUCATION HEALTH SCIENCES FACILITIES  
SERIES 2024 FINANCED PURCHASE OF AN ASSET AGREEMENT**

by and between

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
solely in its capacity as Trustee under the Indenture identified herein,  
as lessor**

and

**STATE OF COLORADO,  
acting by and through the State Treasurer,  
as lessee**

Dated as of \_\_\_\_\_ 1, 2024

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**STATE OF COLORADO  
HIGHER EDUCATION HEALTH SCIENCES FACILITIES  
SERIES 2024 FINANCED PURCHASE OF AN ASSET AGREEMENT**

This State of Colorado Higher Education Health Sciences Facilities, Series 2024 Financed Purchase of an Asset Agreement (this “Financed Asset Agreement” or this “Agreement”) is dated as of \_\_\_\_\_ 1, 2024 and is entered into by and between U.S. Bank Trust Company, National Association, a national banking association duly organized and validly existing under the laws of the United States, solely in its capacity as trustee under the Indenture (the “Trustee”), as lessor, and the State of Colorado, acting by and through the State Treasurer (the “State”), as lessee. *Capitalized terms used but not defined in this Financed Asset Agreement have the meanings assigned to them in the Glossary attached to the State of Colorado Higher Education Health Sciences Facilities Master Trust Indenture dated as of \_\_\_\_\_ 1, 2024, as such Glossary may be amended, supplemented and restated from time to time.*

RECITALS

A. The State Treasurer, on behalf of the State, is authorized by the Act to enter into one or more financed asset agreements with, among other entities, a commercial bank as trustee to finance the projects permitted under the Act, and accordingly desires to enter into this Financed Asset Agreement on behalf of the State to finance the Projects.

B. The Financed Assets will be leased to the Trustee pursuant to the Site Sublease. All the Financed Assets will then be leased back to the State Treasurer, acting on behalf of the State, pursuant to this Financed Asset Agreement, which is an authorized agreement under the Act, with the Trustee, which is a commercial bank.

C. Certificates have been and will be issued by the Trustee pursuant to the Indenture. Proceeds of the Certificates will be used pursuant to the terms of the Indenture to finance all or a portion of the costs of the Projects.

D. The State has determined and hereby determines that (i) this Financed Asset Agreement constitutes a “Financed Purchase of an Asset Agreement” as defined in § 24-82-801(4), C.R.S., and as such shall be accounted for by the State Controller as a financed purchase of assets in accordance with Government Accounting Standards Board Statement No. 87, “Leases”; and (ii) it is in the best interests of the State to enter into this Financed Asset Agreement and lease the Financed Asset from the Trustee.

AGREEMENT

For and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, the parties hereto hereby agree as follows:

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**ARTICLE I**

**CERTIFICATIONS, REPRESENTATIONS AND AGREEMENTS**

**Section 1.01. Representations, Covenants and Warranties by Trustee.** The Trustee hereby certifies, represents and agrees that all the certifications, representations and agreements of the Trustee set forth in Section 6.01 of the Master Indenture are true and accurate and makes the same certifications, representations and agreements under this Financed Asset Agreement as if set forth in full herein.

**Section 1.02. Certifications, Representations and Agreements by State.** The State certifies, represents and agrees that:

(a) Each Project to be financed with proceeds of the Series 2024 Certificates is a permitted project under the Act.

(b) Except as provided below in subsection (c), the maximum total amount of annual Base Rent payments payable by the State during any Fiscal Year under this Agreement, shall not exceed \$17,500,000.

(c) To the extent the Act is changed at any time to increase the maximum total amount of annual payments during any Fiscal Year under this Agreement, the provisions set forth above in subsection (b) shall be changed to reflect such increase without any further action to be taken hereunder by the State and the Trustee.

(d) The State will not enter into any lease purchase agreements or financed asset agreements that will cause annual lease payments to be made by the State during any Fiscal unless the Act is amended to permit such agreements and annual payments.

(e) The State is authorized under the Act to lease the Financed Asset from the Trustee and to execute, deliver and perform its obligations under this Financed Asset Agreement.

(f) The State has received all approvals and consents required for the State's execution, delivery and performance of its obligations under this Financed Asset Agreement and for the financing of the Projects pursuant to this Financed Asset Agreement and the Indenture.

(g) This Financed Asset Agreement has been duly executed and delivered by the State and is a valid and binding obligation enforceable against the State in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.



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(h) The execution, delivery and performance of this Financed Asset Agreement by the State does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the State is now a party or by which the State is bound, or constitute a default under any of the foregoing, violate any Requirement of Law applicable to the State or, except as specifically provided in this Financed Asset Agreement, the Indenture, and the Site Sublease, result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the State.

(i) There is no litigation or proceeding pending or threatened against the State or any other Person which may affect the right of the State to execute, deliver or perform the obligations of the State under this Financed Asset Agreement.

(j) The Rent payable in each Fiscal Year during the Financed Asset Agreement Term is not more than the fair value of the use of the Financed Asset during such Fiscal Year. The Rent payable in any Fiscal Year during the Financed Asset Agreement Term does not exceed a reasonable amount so as to place the State under an economic compulsion to take any of the following actions in order to avoid forfeiting such excess (i) to continue this Financed Asset Agreement beyond such Fiscal Year, (ii) not to exercise its right to terminate this Financed Asset Agreement at any time through an Event of Nonappropriation or (iii) to exercise any of its options to purchase the Financed Asset hereunder. The State's Purchase Option Price for the Financed Asset pursuant to Section 7.01 hereof is the State's best estimate of the fair purchase price of such Financed Asset at the time of exercise of the State's option to purchase such Financed Asset by paying the State's Purchase Option Price. The Scheduled Financed Asset Agreement Term and the final maturity of the Series 2024 Certificates do not exceed the weighted average useful life of the real property improvements included in the Financed Asset. In making the representations, covenants and warranties set forth above in this subsection, the State has given due consideration to the State's options to purchase the Financed Asset hereunder and the terms of this Financed Asset Agreement governing the use of the Financed Asset.

(k) The State presently intends and expects to continue this Financed Asset Agreement annually until title to the Financed Asset is acquired by the State pursuant to this Financed Asset Agreement; but this representation does not obligate or otherwise bind the State.

**Commented [LM1]:** The State has the intent, though it is not binding. Payment is dependent upon annual appropriations.

(l) The State is not aware of any current violation of any Requirement of Law relating to the Financed Asset.

(m) The certifications, representations and agreements set forth in the tax compliance certificate executed by the State in connection with the issuance of the Series 2024 Certificates are hereby incorporated in the Agreement as if set forth in full in this subsection.

(n) If any portion of the Act affecting the validity and enforceability of the Site Leases, the Site Sublease and this Financed Asset Agreement or the source of payment for principal of and interest on the Series 2024 Certificates is held by the highest court of competent jurisdiction in an order which has not been stayed, to be unconstitutional or

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otherwise invalid, the State will use its best efforts to request legislation to be introduced in the General Assembly, which legislation would reauthorize the provisions of the Act which were determined to be unconstitutional or invalid in a manner which would cause the Site Sublease and this Financed Asset Agreement to remain valid and enforceable and for the principal of and interest on the Series 2024 Certificates to be payable.

**ARTICLE II**

**DEMISING CLAUSE; ENJOYMENT OF FINANCED ASSET**

**Section 2.01. Demising Clause.** The Trustee demises and leases the Trustee's leasehold estate under the Site Sublease in the land described in Exhibit A hereto (the "Land" for purposes of this Financed Asset Agreement) and the buildings, structures and improvements now and hereafter located on the Land (together with the Land, the "Financed Asset" for purposes of this Financed Asset Agreement) to the State in accordance with the terms of this Financed Asset Agreement, subject only to Permitted Encumbrances, to have and to hold for the Financed Asset Agreement Term. **[The State and the Trustee hereby acknowledge that no ALTA/NSPS Land Title Survey was delivered and certified by a Colorado Registered Professional Land Surveyor in connection with the Financed Asset and Land as of the date of this Financed Asset Agreement, and accordingly the title insurance policy or policies with respect to the Financed Asset has been or will be issued subject to standard survey exceptions. In order to address such survey exceptions, the State shall either (a) take such action necessary to have a certified ALTA/NSPS Land Title Survey delivered by a Colorado Registered Professional Land Surveyor with respect to the Financed Asset so that a new title insurance policy or policies, or an amendment of, or an endorsement or supplement to the previously issued title insurance policy or policies containing extended survey coverage (subject to any matters disclosed in the survey) is provided with respect to the Financed Asset which is reasonably acceptable to the State, or (b) by no later than \_\_\_\_\_, 202\_, there is provided substitute property for the Financed Asset in accordance with the provisions of Section 6.05 hereof.]**

**Section 2.02. Enjoyment of Financed Asset.** The Trustee covenants that, during the Financed Asset Agreement Term and so long as no Event of Default hereunder shall have occurred, the State shall peaceably and quietly have, hold and enjoy the Financed Asset without suit, trouble or hindrance from the Trustee, except as expressly required or permitted by this Financed Asset Agreement.

**ARTICLE III**

**FINANCED ASSET AGREEMENT TERM; TERMINATION OF THIS FINANCED ASSET AGREEMENT**

**Section 3.01. Financed Asset Agreement Term.**

(a) The Financed Asset Agreement Term is the Initial Term and successive one-year Renewal Terms, subject to subsection (b) of this Section.

(b) The Finance Asset Agreement Term shall expire upon the earliest of any of the following events:

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- (i) the last day of the month in which the final Base Rent payment is scheduled to be paid in accordance with Exhibit B hereto;
- (ii) June 30 of the Initial Term or June 30 of any Renewal Term during which, in either case, an Event of Nonappropriation has occurred;
- (iii) the purchase of the Financed Asset by the State pursuant to Section 7.01 hereof; or
- (iv) termination of this Financed Asset Agreement following an Event of Default in accordance with Section 10.02(a) hereof.

**Section 3.02. Effect of Termination of Financed Asset Agreement Term.** Upon termination of the Financed Asset Agreement Term:

- (a) all unaccrued obligations of the State hereunder shall terminate, but all obligations of the State that have accrued hereunder prior to such termination shall continue until they are discharged in full; and
- (b) if the termination occurs because of the occurrence of an Event of Nonappropriation or an Event of Default, the State's right to possession of the Financed Asset hereunder shall terminate and (i) the State shall, within 90 days, vacate the Financed Asset; and (ii) if and to the extent the Colorado General Assembly has appropriated funds for payment of Rent payable during, or with respect to the State's use of the Financed Asset during, the period between termination of the Financed Asset Agreement Term and the date the Financed Asset is vacated pursuant to clause (i), the State shall pay Base Rent to the Trustee and Additional Rent to the Person entitled thereto.

**ARTICLE IV**

**RENT; EVENT OF NONAPPROPRIATION**

**Section 4.01. Base Rent.**

- (a) The State shall, subject only to the remainder of this Section and the other Sections of this Article, pay Base Rent directly to the Trustee during the Financed Asset Agreement Term in immediately available funds in amounts not to exceed those set forth in Section 1.02(b) hereof.
- (b) The portion of each payment of Base Rent identified as such on Exhibit B hereto, as such Exhibit is amended or supplemented from time to time, is paid as, and represents payment of: (i) Amortizing Principal; and (ii) interest.
- (c) The Amortizing Principal and interest components of Base Rent and total Base Rent shall be paid in the amounts and on the Base Rent Payment Dates set forth in Exhibit B hereto, as such Exhibit may be amended or supplemented from time to time; provided, however, that, subject to subsections (d) and (e) of this Section:

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(i) there shall be credited against the amount of Amortizing Principal and the total Base Rent payable on any Base Rent Payment Date, any moneys in the Principal Account that are not held to pay the redemption price of Certificates for which a notice of redemption has been delivered; and

(ii) there shall be credited against the amount of interest and the total Base Rent payable on any Base Rent Payment Date, any moneys in the Interest Account that are not held to pay the redemption price of Certificates for which a notice of redemption has been delivered.

(d) Thirty days prior to each Base Rent Payment Date, the Trustee shall notify the State as the exact amounts, if any, on deposit in each account of the Certificate Fund that will be credited, pursuant to subsection (c) of this Section against the Amortizing Principal, interest and total Base Rent payable on such Base Rent Payment Date. If further amounts that are to be credited against the Amortizing Principal, interest and total Base Rent payable on such Base Rent Payment Date accrue during such 30-day period, such amounts shall be carried over to be applied as a reduction of Amortizing Principal, interest and total Base Rent, as applicable, payable on the next succeeding Base Rent Payment Date.

(e) Upon receipt by the Trustee of each payment of Base Rent, the Trustee shall apply the amount of such payment:

(i) *first*, the amount of each payment of Base Rent designated and paid as interest under Exhibit B hereto, as such Exhibit may be amended or supplemented from time to time, plus the amount of any past due interest on the Series 2024 Certificates, shall be deposited into the Interest Account; and

(ii) *second*, the amount of each payment of Base Rent designated and paid as Amortizing Principal under Exhibit B hereto, as such Exhibit may be amended or supplemented from time to time, shall be deposited into the Principal Account.

**Section 4.02. Additional Rent.** The State shall, subject only to Sections 5.01(b) and 6.02(b) hereof and the other Sections of this Article, pay Additional Rent directly to the Persons to which it is owed (which, in the case of payments required to be made to fund the Rebate Fund pursuant to the Indenture, is the Trustee) in immediately available funds in the amounts and on the dates on which they are due.

**Section 4.03. Unconditional Obligations.** The obligation of the State to pay Base Rent during the Financed Asset Agreement Term shall, subject only to the other Sections of this Article, and the obligation of the State to pay Additional Rent during the Financed Asset Agreement Term shall, subject only to Sections 5.01(b) and 6.02(b) hereof, and the other Sections of this Article, including, without limitation, Sections 4.04 and 4.05 hereof and Section 12.16 hereof, be absolute and unconditional and shall not be abated or offset for any reason related to the Financed Asset. Notwithstanding any dispute between the State and the Trustee or between the State or the Trustee and any other Person relating to the Financed Asset, the State shall, during the Financed Asset Agreement Term, pay all Rent when due; the State shall not withhold any Rent payable during the

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Financed Asset Agreement Term pending final resolution of such dispute and shall not assert any right of set-off or counter-claim against its obligation to pay Rent, provided, however, that the payment of any Rent shall not constitute a waiver by the State of any rights, claims or defenses which the State may assert; and no action or inaction on the part of the Trustee shall affect the State's obligation to pay Rent during the Financed Asset Agreement Term.

**Section 4.04. Event of Nonappropriation.**

(a) The officer of the State who is responsible for formulating budget proposals with respect to payment of the State's portion of Rent is hereby directed (A) to estimate the Additional Rent payable in the next ensuing Fiscal Year prior to the submission of each annual budget proposal to the Colorado General Assembly during the Financed Asset Agreement Term and (B) to include in each annual budget proposal submitted to the Colorado General Assembly during the Financed Asset Agreement Term the amount of Base Rent scheduled to be paid from the State's General Fund, or any other legally available source of money, not to exceed the amount set forth in Section 1.02(b)(i) and (iii) hereof and the Additional Rent estimated to be payable during the next ensuing Fiscal Year; it being the intention of the State that any decision to continue or to terminate this Financed Asset Agreement shall be made solely by the Colorado General Assembly, in its sole discretion, and not by any other department, agency or official of the State.

(b) An Event of Nonappropriation shall be deemed to have occurred, subject to the State's right to cure pursuant to subsection (c) of this Section, on June 30 of any Fiscal Year if the Colorado General Assembly has, on such date, failed, for any reason, to appropriate sufficient amounts authorized and directed to be used to pay all Base Rent scheduled to be paid and all Additional Rent estimated to be payable in the next ensuing Fiscal Year.

(c) Notwithstanding subsection (b) of this Section, an Event of Nonappropriation shall not be deemed to occur if, on or before August 15 of the next ensuing Fiscal Year (i) the Colorado General Assembly has appropriated amounts sufficient to avoid an Event of Nonappropriation under subsection (b) of this Section, and (ii) the State has paid all Rent due during the period from June 30 through the date of such appropriation.

(d) If the State shall determine to exercise its annual right to terminate this Financed Asset Agreement effective on June 30 of any Fiscal Year, the State shall give written notice to such effect to the Trustee not later than April 1 of such Fiscal Year; provided, however, that a failure to give such notice shall not (i) constitute an Event of Default, (ii) prevent the State from terminating this Financed Asset Agreement or (iii) result in any liability on the part of the State.

(e) The State shall furnish the Trustee, for informational purposes only, with copies of all appropriation or allocation measures relating to Rent or the Purchase Option Price promptly upon the adoption thereof by the Colorado General Assembly but not later than 30 days following the adoption thereof by the Colorado General Assembly; provided however, that a failure to furnish copies of such measures shall not (i) constitute an Event

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of Default, (ii) prevent the State from terminating this Financed Asset Agreement or (iii) result in any liability on the part of the State.

**Section 4.05. Limitations on Obligations of the State.**

(a) Payment of Rent by the State and all other payments by the State hereunder shall constitute currently appropriated expenditures of the State and may be paid solely from legally available moneys in the General Fund. All obligations of the State under this Financed Asset Agreement shall be subject to the action of the Colorado General Assembly in annually making moneys available for payments hereunder. The obligations of the State to pay Rent and all other obligations of the State hereunder are subject to appropriation by the Colorado General Assembly and shall not be deemed or construed as creating an indebtedness of the State within the meaning of any provision of the State Constitution or the laws of the State concerning or limiting the creation of indebtedness of the State and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the State within the meaning Section 20(4) of Article X of the State Constitution. In the event the State does not renew this Financed Asset Agreement, the sole security available to the Trustee, as lessor under this Financed Asset Agreement, shall be the Financed Asset.

(b) The State's obligations under the Agreement shall be subject to the State's annual right to terminate this Financed Asset Agreement upon the occurrence of an Event of Nonappropriation.

(c) The Certificates evidence undivided interests in the right to receive Financed Asset Agreement Revenues and shall be payable solely from the Trust Estate. No provision of the Certificates, the Indenture, the Financed Asset Agreement, the Site Sublease or any other document or instrument shall be construed or interpreted (i) to directly or indirectly obligate the State to make any payment in any Fiscal Year in excess of amounts appropriated by the Colorado General Assembly for Rent for such Fiscal Year; (ii) as creating a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the State within the meaning of Section 3 of Article XI, Section 20 of Article X of the State Constitution or any other limitation or provision of the State Constitution, State statutes or other State law; (iii) as a delegation of governmental powers by the State; (iv) as a loan or pledge of the credit or faith of the State or as creating any responsibility by the State for any debt or liability of any person, company or corporation within the meaning of Section 1 of Article XI of the State Constitution; or (v) as a donation or grant by the State to, or in aid of, any person, company or corporation within the meaning of Section 2 of Article XI of the State Constitution.

(d) The State shall be under no obligation whatsoever to exercise its option to purchase the Financed Asset pursuant to Article VII hereof

(e) No provision of this Financed Asset Agreement shall be construed to pledge or to create a lien on any class or source of moneys of the State, nor shall any provision of this Financed Asset Agreement restrict the future issuance of any obligations of the State, payable from any class or source of moneys of the State; provided, however, that the restrictions set forth in the Indenture shall apply to the issuance of Certificates.

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**ARTICLE V**

**OPERATION, MAINTENANCE AND INSURANCE OF FINANCED ASSET**

**Section 5.01. Taxes, Utilities and Insurance.**

(a) The State shall pay, as Additional Rent, all of the following expenses with respect to the Financed Asset:

(i) all taxes, assessments and other charges lawfully made by any governmental body, provided that any such taxes, assessments or other charges that may lawfully be paid in installments may be paid in installments as such installments are due;

(ii) all gas, water, steam, electricity, heat, power and other utility charges incurred in connection with the Financed Asset;

(iii) casualty and property damage insurance with respect to the Financed Asset in an amount equal to the full replacement value of the Financed Asset;

(iv) public liability insurance with respect to the activities to be undertaken by the State in connection with the Financed Asset and this Financed Asset Agreement: (A) to the extent such activities result in injuries for which immunity is available under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 et seq. or any successor statute, in an amount not less than the amounts for which the State may be liable to third parties under such Act and (B) for all other activities, in an amount not less than \$1,000,000 per occurrence.

(b) Except for Permitted Encumbrances, the State shall not allow any liens for taxes, assessments, other governmental charges or utility charges to exist with respect to any portion of the Financed Asset. If the State shall first notify the Trustee of the intention of the State to do so, the State may, however, in good faith contest any such tax, assessment, other governmental charge or utility charge and, in the event of any such contest, may permit the tax, assessment, other governmental charge or utility charge so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the Trustee shall notify the State that, in the opinion of Independent Counsel, whose fees and expenses shall be paid by the State, as applicable, by nonpayment of any such item the interest of the Trustee in the Financed Asset will be materially interfered with or endangered or the Financed Asset or any portion thereof will be subject to loss or forfeiture, in which event such tax, assessment, other governmental charge or utility charge shall be paid forthwith; provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, other governmental charge or utility charge. At the request of the State, the Trustee will cooperate fully with the State in any such contest.

(c) The insurance policies provided pursuant to subsection (a) of this Section shall meet the following conditions: (i) any insurance policy may have a deductible clause

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in an amount deemed reasonable by the State; (ii) each insurance policy shall be provided by an insurer that, at the time such policy is obtained or renewed, is rated “A” by A.M. Best or in the two highest rating categories of S&P and Moody’s; (iii) each insurance policy shall be so written or endorsed as to make losses, if any, payable to the State and the Trustee, as their respective interests may appear; (iv) each insurance policy shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the State or the Trustee without first giving written notice thereof to the State and the Trustee at least 30 days in advance of such cancellation or modification; (v) upon request, each insurance policy, or each certificate evidencing such policy, shall be provided to the Trustee; (vi) full payment of insurance proceeds under any insurance policy up to the dollar limit required by this Section in connection with damage to the Financed Asset shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the State; and (vii) each insurance policy shall explicitly waive any co-insurance penalty.

(d) The insurance required by this Section may be provided under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks or through a self insurance program.

**Section 5.02. Maintenance and Operation of Financed Asset.** The State shall maintain, preserve and keep the Financed Asset, or cause the Financed Asset to be maintained, preserved and kept, in good repair, working order and condition, subject to normal wear and tear, shall operate the Financed Asset, or cause the Financed Asset to be operated, in an efficient manner and at a reasonable cost, and shall make or cause to be made all necessary and proper repairs, except as otherwise provided in Sections 6.05 and 6.07 hereof.

**ARTICLE VI**

**TITLE TO FINANCED ASSET; ENCUMBRANCES, EASEMENTS,  
MODIFICATIONS, SUBSTITUTION, RELEASE, DAMAGE, PERSONAL PROPERTY**

**Section 6.01. Title to Financed Asset.** Title to the Leasehold estate in the Financed Asset under the Site Sublease shall be held in the name of the Trustee, subject to the Site Lease and this Financed Asset Agreement, until the Financed Asset is conveyed or otherwise disposed of as provided herein, and the State shall have no right, title or interest in the Financed Asset except as expressly set forth herein.

**Commented [ML2]:** USBank is a “leasehold owner” which gives more authority than a lienholder but does not convey full title. Per the Site Lease, UNC maintains title.

**Section 6.02. Limitations on Disposition of and Encumbrances on Financed Asset.**

(a) Except as otherwise permitted in this Article or Article VIII or XI hereof and except for Permitted Encumbrances, (i) neither the Trustee nor the State shall sell, assign, transfer or convey any portion of or any interest in a Financed Asset or directly or indirectly create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Financed Asset, and (ii) the State shall promptly take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim.



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(b) Notwithstanding subsection (a) of this Section, if the State shall first notify the Trustee of the intention of the State to do so, the State may in good faith contest any such mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Financed Asset, and in the event of any such contest, may permit the item so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Trustee shall notify the State that, in the opinion of Independent Counsel, whose fees shall be paid by the State, by failing to discharge or satisfy such item the interest of the Trustee in the Financed Asset will be materially interfered with or endangered, or the Financed Asset or any part thereof will be subject to loss or forfeiture, in which event such item shall be satisfied and discharged forthwith; provided, however, that such satisfaction and discharge shall not constitute a waiver by the State of the right to continue to contest such item. At the request of the State, the Trustee will cooperate fully with the State in any such contest.

**Section 6.03. Granting of Easements.** As long as no Event of Nonappropriation or Event of Default shall have happened and be continuing, the Trustee shall, at the request of the State:

(a) consent to the grant of easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Financed Asset, free from this Financed Asset Agreement and the Indenture and any security interest or other encumbrance created hereunder or thereunder;

(b) consent to the release of existing easements, licenses, rights-of-way and other rights and privileges with respect to the Financed Asset, free from this Financed Asset Agreement and the Indenture and any security interest or other encumbrance created hereunder or thereunder, with or without consideration; and

(c) execute and deliver any instrument necessary or appropriate to confirm and grant or release any easement, license, right-of-way or other grant or privilege under subsection (a) or (b) of this Section, upon receipt of a copy of the instrument of grant or release.

**Section 6.04. Modification of Financed Asset.** The State, at its own expense, may remodel, or make substitutions, additions, modifications or improvements to any portion of a Financed Asset, provided that: (a) such remodeling, substitutions, additions, modifications and additions (i) shall not in any way damage such portion of the Financed Asset as it existed prior thereto and (ii) shall become part of the Financed Asset; (b) the value of the Financed Asset after such remodeling, substitutions, additions, modifications and additions shall be at least as great as the value of the Financed Asset prior thereto; and (c) the Financed Asset, after such remodeling, substitutions, additions, modifications and additions, shall continue to be used as provided in, and shall otherwise be subject to the terms of this Financed Asset Agreement.

**Section 6.05. Substitution of Other Property for Financed Asset.** The State may at any time substitute other property for any portion of a Financed Asset upon delivery to the Trustee of the items listed below. Upon delivery thereof, the Trustee shall execute and deliver any documents or instruments requested by the State to accomplish the substitution. The items are:

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(a) A certificate by the State certifying that, following such substitution, either (i) the Fair Market Value of the substituted property, determined as of the date of substitution, is equal to or greater than the Fair Market Value of the property for which it is substituted; or (ii) the Fair Market Value of all the Financed Assets will be at least equal to the principal amount of the Outstanding Certificates, both determined as of the date the substitution occurs.

(b) A title insurance policy, an amendment or supplement to a previously issued title insurance policy or a commitment to issue such a policy, amendment or supplement that would allow the State to make the title insurance representations set forth in the form of Project Account requisition attached as Appendix A to the Supplemental Indenture.

(c) A certificate by the State certifying that (i) the useful life of the substituted property extends to or beyond the final maturity of the Certificates, and (ii) the substituted property is at least as essential to the State as the property for which it was substituted.

(d) An opinion of Bond Counsel to the effect that such substitution is permitted by this Financed Asset Agreement and will not cause the State to violate its tax covenant set forth in Section 8.04 hereof.

**Section 6.06. Property Damage, Defect or Title Event.**

(a) If a Property Damage, Defect or Title Event occurs with respect to any portion of the Financed Asset, the Net Proceeds received as a consequence thereof shall be deposited into a special trust fund held by the Trustee.

(b) If the costs of the repair, restoration, modification, improvement or replacement of the portion of the Financed Asset affected by the Property Damage, Defect or Title Event are equal to or less than the Net Proceeds, the Net Proceeds shall be used promptly to repair, restore, modify, improve or replace the affected portion of the Financed Asset and any excess shall be delivered to the State.

(c) If the costs of the repair, restoration, modification, improvement or replacement of the portion of the Financed Asset affected by the Property Damage, Defect or Title Event are more than the Net Proceeds, then the State shall elect one of the following alternatives:

(i) to use the Net Proceeds and other moneys paid by the State, subject to Article V hereof, as Additional Rent to promptly repair, restore, modify or improve or replace the affected portion of the Financed Asset with property of a value equal to or in excess of the value of such portion of the Financed Asset;

(ii) to substitute property for the affected portion of the Financed Asset pursuant to Section 6.05 hereof, in which case the Net Proceeds shall be delivered to the State; or

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(iii) to use the Net Proceeds to promptly repair, restore, modify or improve or replace the affected portion of the Financed Asset to the extent possible with the Net Proceeds.

(d) The State shall not voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any action relating to default or breach of warranty under any contract relating to any portion of the Financed Asset without the written consent of the Trustee.

(e) No Property Damage, Defect or Title Event shall affect the obligation of the State to pay Rent hereunder except as otherwise provided in subsection (c)(i) hereof.

**Section 6.07. Condemnation by State.** The State agrees that, to the extent permitted by law, in the event it brings an eminent domain or condemnation proceeding with respect to the Financed Asset, such proceeding shall be with respect to all the Financed Asset and the value of the Financed Asset for purposes of such proceeding shall be not less than the State's Purchase Option Price determined pursuant to Section 7.01 hereof.

**Section 6.08. Personal Property of the State.** The State, at its own expense, may install equipment and other personal property in or on any portion of the Financed Asset, which equipment or other personal property shall not become part of the Financed Asset unless it is permanently affixed to the Financed Asset or removal of it would materially damage the Financed Asset, in which case it will become part of the Financed Asset.

**Section 6.09. Release of Portions of the Financed Assets.** When the principal component of Base Rent paid by the State, plus the principal amount of any Certificates redeemed through optional redemption, or the total principal amount of Certificates paid or deemed to be paid pursuant to the Indenture, equals an amount set forth in Exhibit C hereto, the cost of the corresponding portion of the Financed Assets set forth in such Exhibit C shall be deemed to have been fully amortized, and the Trustee shall execute and deliver to the State all documents necessary and prepared by or on behalf of the State to release such portion of the Financed Assets from the provisions of the Site Sublease and this Financed Asset Agreement and the lien thereon granted to the Trustee pursuant to the Indenture; provided, however, that the Fair Market Value of the remaining Financed Assets shall be at least equal to 90% of the aggregate principal amount of the Certificates Outstanding at the time of such release, as certified in writing by the State. Such certifications by the State of the Fair Market Value of the remaining Financed Assets may be based on and given in reliance upon certifications by the State as to the Fair Market Value of the Financed Assets. Upon such release of a portion of the Financed Assets, the Trustee shall execute and deliver to the State all documents necessary or appropriate and prepared by or on behalf of the State to convey their respective interests in such portion of the Financed Assets to the State or the State's designee, free of all restrictions and encumbrances imposed or created by this Financed Asset Agreement, the Site Sublease or the Indenture, in substantially the manner provided for in the Financed Asset Agreement. After such release and conveyance, the property so released and conveyed shall no longer be a part of the Financed Assets for any purpose of this Financed Asset Agreement, the Site Sublease or the Indenture. The Trustee shall fully cooperate with the State in executing, delivering and recording, at the State's expense, such documents as may be necessary to effectuate the provisions of this Section 6.09. Attached hereto as Exhibit D is a form of release

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that may be utilized by the parties in connection with the release of Financed Assets from the Site Sublease and this Financed Asset Agreement and the lien of the Indenture.

**ARTICLE VII**

**STATE'S PURCHASE OPTION; CONVEYANCE TO STATE AT END OF  
AGREEMENT  
TERM**

**Section 7.01. State's Option to Purchase All Financed Asset in Connection with  
Defeasance of Series 2024 Certificates.**

(a) The State is hereby granted the option to purchase all, but not less than all, of the Financed Assets in connection with the defeasance of all the Series 2024 Certificates by paying to the Trustee the State's Purchase Option Price (defined below), subject to compliance with all conditions to the defeasance of the Series 2024 Certificates under the Indenture, including, but not limited to, the receipt of an opinion of Bond Counsel that the defeasance will not cause an Adverse Tax Event. The "State's Purchase Option Price" for purposes of a purchase of all the Financed Asset pursuant to this Section is an amount sufficient (i) to defease all the Series 2024 Certificates in accordance with the defeasance provisions of the Indenture and (ii) to pay all Additional Rent payable through the date on which the Financed Asset is conveyed to the State or its designee pursuant to this Article, including, but not limited to, all fees and expenses of the Trustee relating to the conveyance of the Financed Asset and the payment, redemption or defeasance of the Outstanding Series 2024 Certificates; provided, however, that (A) the State's Purchase Option Price shall be reduced by the moneys, if any, in the funds and accounts created under the Master Indenture (except the Rebate Fund and any existing defeasance escrows accounts established pursuant to Section 9.01 of the Master Indenture) that are available for deposit in the defeasance escrow account established pursuant to Section 9.01 of the Master Indenture for the Series 2024 Certificates; and (B) if any Series 2024 Certificates have been paid, redeemed or defeased with the proceeds of another Series of Certificates, in applying this subsection, Outstanding Certificates of the Series of Certificates the proceeds of which were used to pay, redeem or defease the Series 2024 Certificates shall be substituted for the Series 2024 Certificates that were paid, redeemed or defeased, which substitution shall be accomplished in any reasonable manner selected by the State in its sole discretion.

(b) In order to exercise its option to purchase the Financed Asset pursuant to this Section, the State must: (i) give written notice to the Trustee (A) stating that the State intends to purchase the Financed Asset pursuant to this Section, (B) identifying the source of funds it will use to pay the State's Purchase Option Price and (C) specifying a closing date for such purpose which is at least 30 and no more than 90 days after the delivery of such notice; and (ii) pay the State's Purchase Option Price to the Trustee in immediately available funds on the closing date.

**Section 7.02. [Reserved]**

**Section 7.03. Conveyance of Financed Asset.** At the closing of any purchase of a Financed Asset pursuant to Section 7.01 hereof, the Trustee shall execute and deliver to the State

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all necessary documents assigning, transferring and conveying to the State the same ownership interest in the purchased Financed Asset that was conveyed to the Trustee, subject only to the following: (i) Permitted Encumbrances, other than this Financed Asset Agreement, the Indenture and the Site Lease; (ii) all liens, encumbrances and restrictions created or suffered to exist by the Trustee as required or permitted by this Financed Asset Agreement, the Indenture and Site Lease pursuant to which the Financed Asset was Leased to the Trustee or arising as a result of any action taken or omitted to be taken by the Trustee as required or permitted by this Financed Asset Agreement, the Indenture and the Site Leases; (iii) any lien or encumbrance created or suffered to exist by action of the State; and (iv) those liens and encumbrances (if any) to which the Financed Asset purchased by the State pursuant to this Article was subject when acquired by the Trustee.

**Section 7.04. Conveyance of Financed Asset to State at End of Scheduled Financed Asset Agreement Term.** If all Base Rent scheduled to be paid through the end of the Scheduled Financed Asset Agreement Term, all Additional Rent payable through the date of conveyance of the Financed Asset to the State pursuant to this Section shall have been paid, all Certificates with the same Series designation as this Financed Asset Agreement have been paid in full in accordance with the Indenture and all other amounts payable pursuant to the Indenture and this Financed Asset Agreement have been paid, the Financed Asset that remains subject to this Financed Asset Agreement shall be assigned, transferred and conveyed to the State at the end of the Scheduled Financed Asset Agreement Term in the manner described in Section 7.03 hereof without any additional payment by the State.

**Commented [LM3]:** Once all base rent payments have been made, the Financed Asset Agreement is terminated and the Financed Asset reverts to the State, then UNC.

**ARTICLE VIII**

**GENERAL COVENANTS**

**Section 8.01. Further Assurances and Corrective Instruments.** So long as this Financed Asset Agreement is in full force and effect and no Event of Nonappropriation or Event of Default shall have occurred, the Trustee and the State shall have full power to carry out the acts and agreements provided herein and the State and the Trustee, at the written request of the other, shall from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Financed Asset leased or intended to be leased hereunder, or for otherwise carrying out the intention of or facilitating the performance of this Financed Asset Agreement.

**Section 8.02. Compliance with Requirements of Law.** On and after the date hereof, neither the State nor the Trustee shall take any action with respect to the Financed Asset that violates the terms hereof or is contrary to the provisions of any Requirement of Law. Without limiting the generality of the preceding sentence, the State, in particular, shall use the Financed Asset in a manner such that (a) the Financed Asset at all times is operated in compliance with all Requirements of Law; (b) all permits required by Requirements of Law in respect of the State's use of the Financed Asset are obtained, maintained in full force and effect and complied with; (c) there shall be no hazardous substance, pollutant or contaminant (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, et seq., any applicable state law or regulations promulgated under either), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq., any applicable state law or regulations promulgated under either), special

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waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or any constituent of any of the foregoing located on, in or under the Financed Asset in violation of any Requirements of Law; (d) there shall be no disposal of any of the items referred to in clause (c) on, from, into or out of the Financed Asset in violation of any Requirements of Law; and (e) there shall be no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing or dispersing of any of the items referred to in clause (c) into the indoor or outdoor environment from, into or out of the Financed Asset, including but not limited to the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Financed Asset or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Financed Asset in violation of any Requirements of Law.

**Section 8.03. Participation in Legal Actions.**

(a) At the request of and at the cost of the State (payable as Additional Rent hereunder), the Trustee shall join and cooperate fully in any legal action in which the State asserts its right to the enjoyment of the Financed Asset; that involves the imposition of any charges, costs or other obligations or liabilities on or with respect to the Financed Asset or the enjoyment of the Financed Asset by the State; or that involves the imposition of any charges, costs or other obligations with respect to the State's execution, delivery and performance of its obligations under this Financed Asset Agreement.

(b) At the request of the Trustee and upon a determination by the State that such action is in the best interests of the State, the State shall, at the cost of the State (payable as Additional Rent hereunder), join and cooperate fully in any legal action in which the Trustee asserts its ownership of or interest in the Financed Asset; that involves the imposition of any charges, costs or other obligations on or with respect to the Financed Asset for which the Trustee is responsible hereunder; or that involves the imposition of any charges, costs or other obligations with respect to the execution and delivery or acceptance of this Financed Asset Agreement, the Indenture or the Site Lease by the Trustee or the performance of its obligations hereunder or thereunder.

**Section 8.04. Tax Covenant of the State.** The State (a) will not use or permit any other Person to use the Projects and will not use, invest or direct the Trustee to use or invest proceeds of the Certificates or any moneys in the funds and amounts held by the Trustee under the Indenture in a manner that would cause, or take any other action that would cause, an Adverse Tax Event and (b) will comply with the certifications, representations and agreements set forth in the tax compliance certificate executed by the State in connection with the Series 2024 Certificates.

**Section 8.05. Payment of Fees and Expenses of the Trustee.** The State shall pay as Additional Rent the reasonable fees and expenses of the Trustee in connection with the Financed Asset, this Financed Asset Agreement, the Indenture, the Certificates, and the Site Lease or any matter related thereto, including, but not limited to, costs of defending any claim or action brought against the Trustee or its directors, officers, employees or agents relating to the foregoing, in accordance with the schedule agreed to by the Trustee and the State. The State shall not, however, pay any fees or expenses incurred in connection with any action or omission, or any liability incurred in connection with any action or omission, that constituted willful misconduct or negligence of the Trustee or its directors, officers, employees or agents.

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**Section 8.06. Payments to Rebate Fund; Rebate Calculations.** The State shall pay to the Trustee as Additional Rent the amount required to be paid to the United States of America on any date on which a rebate payment is due to the extent the amount on deposit in the Rebate Fund is not sufficient. The State also agrees to make or cause to be made all rebate calculations required pursuant to the Indenture and to pay the costs as Additional Rent.

**Section 8.07. Investment of Funds.** By authorizing the execution and delivery of this Financed Asset Agreement, the State specifically authorizes the investment of moneys held by the Trustee in Permitted Investments (as defined in the Indenture), including Permitted Investments where the period from the date of purchase thereof to the maturity date is in excess of five years.

**ARTICLE IX**

**LIMITS ON OBLIGATIONS OF TRUSTEE**

**Section 9.01. Disclaimer of Warranties.** THE TRUSTEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE FINANCED ASSET OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE FINANCED ASSET. In no event shall the Trustee be liable for any incidental, special or consequential damage in connection with or arising out of this Financed Asset Agreement or the existence, furnishing, functioning or use by the State of any item, product or service provided for herein.

**Section 9.02. Financial Obligations of Trustee Limited to Trust Estate.** Notwithstanding any other provision hereof, all financial obligations of the Trustee under this Financed Asset Agreement, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate.

**ARTICLE X**

**EVENTS OF DEFAULT AND REMEDIES**

**Section 10.01. Events of Default Defined.**

(a) Any of the following shall constitute an “Event of Default” under this Financed Asset Agreement:

(i) failure by the State to pay any specifically appropriated or allocated portion of its Base Rent to the Trustee on or before the applicable Base Rent Payment Date; provided, however, that a failure by the State to pay its respective portion of Base Rent on the applicable Base Rent Payment Date shall not constitute an Event of Default if such payment is received by the Trustee on or before the Business Day prior to the first date immediately following the scheduled Base Rent Payment Date on which principal or interest is payable on Certificates;

(ii) failure by the State to pay any Additional Rent for which funds have been specifically appropriated when due, or if such Additional Rent is payable to a

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Person other than the Trustee, when nonpayment thereof has, or may have, a material adverse effect upon the Certificates, the Financed Asset or the interest of the Trustee in the Financed Asset;

(iii) failure by the State to vacate the Financed Asset within 90 days following an Event of Nonappropriation in accordance with Section 3.02(b) hereof;

(iv) any sublease, assignment, encumbrance, conveyance or other transfer of the interest of the State in all or any portion of this Financed Asset Agreement or the Financed Asset in violation of Section 11.02(a) hereof or any succession to all or any portion of the interest of the State in the Financed Asset in violation of Section 11.02(b) hereof;

(v) failure by the State to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i), (ii), (iii) or (iv) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied shall be given to the State by the Trustee, unless the Trustee shall consent in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee shall not withhold its consent to an extension of such time if corrective action shall be instituted within the applicable period and diligently pursued until the default is corrected; or

(b) The provisions of subsection (a) of this Section are subject to the following limitations:

(i) the State shall be obligated to pay Rent only during the Financed Asset Agreement Term, except as otherwise expressly provided in Section 3.02(b)(ii) hereof; and

(ii) if, by reason of Force Majeure, the State shall be unable in whole or in part to carry out any agreement on its part herein contained, other than its obligation to pay Rent hereunder, the State shall not be deemed in default during the continuance of such inability; provided, however, that the State shall, as promptly as legally and reasonably possible, remedy the cause or causes preventing the State from carrying out such agreement, except that the settlement of strikes, lockouts and other industrial disturbances shall be solely within the discretion of the State.

**Section 10.02. Remedies on Default.** Whenever any Event of Default shall have happened and be continuing, the Trustee may take one or any combination of the following remedial steps:

(a) terminate the Financed Asset Agreement Term and give notice to the State to immediately vacate the Financed Asset in the manner provided in Section 3.02(b) hereof;

(b) sell or lease its interest in all or any portion of the Financed Asset;



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(c) recover any of the following from the State that is not recovered pursuant to subsection (b) of this Section:

(i) the portion of Rent payable pursuant to Section 3.02(b)(ii) hereof;

(ii) the portion of Base Rent for the then current Fiscal Year that has been specifically appropriated by the Colorado General Assembly regardless of when the State vacates the Financed Asset; and

(iii) the portion of the Additional Rent for the then current Fiscal Year that has been specifically appropriated by the Colorado General Assembly, but only to the extent such Additional Rent are payable prior to the date, or are attributable to the use of the Financed Asset prior to the date, the State vacates the Financed Asset;

(d) enforce any provision of this Financed Asset Agreement by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under Article XI hereof by specific performance, writ of mandamus or other injunctive relief; and

(e) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Financed Asset under this Financed Asset Agreement, subject, however, to the limitations on the obligations of the State set forth in Sections 4.05 and 10.03 hereof

**Section 10.03. Limitations on Remedies.** A judgment requiring a payment of money may be entered against the State by reason of an Event of Default only as to the State's liabilities described in Section 10.02(c) hereof. A judgment requiring a payment of money may be entered against the State by reason of an Event of Nonappropriation, or a failure to vacate the Financed Asset following an Event of Nonappropriation, only to the extent provided in Section 10.02(c)(i) hereof.

**Section 10.04. No Remedy Exclusive.** Subject to Section 10.03 hereof, no remedy herein conferred upon or reserved to the Trustee is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

**Section 10.05. Waivers.**

(a) The Trustee may waive any Event of Default under this Financed Asset Agreement and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

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(b) In the event the Trustee waives any Event of Default described in Section 10.01(a)(i) hereof, any subsequent payment by the State of Base Rent then due and owing shall be paid to the Trustee to be applied in accordance with the terms of the Indenture.

**ARTICLE XI**

**TRANSFERS OF INTERESTS IN AGREEMENT OR FINANCED ASSET**

**Section 11.01. Trustee's Rights, Title and Interest in Trust for Benefit of Owners; Successor Trustee; Assignment by Trustee.** The Trustee shall hold its interest in the Financed Asset and its rights, title and interest in, to and under this Financed Asset Agreement (other than the Trustee's rights to payment of its fees and expenses and the rights of third parties to Additional Rent payable to them) in trust for the benefit of the Owners pursuant to the Indenture. Any successor trustee under the Indenture shall automatically succeed to previous trustee's interest in the Financed Asset and the previous trustee's rights, title, interest and obligations in, to and under this Financed Asset Agreement. The Trustee shall not, except as provided in this Section or as otherwise provided elsewhere in this Financed Asset Agreement or in the Indenture, assign, convey or otherwise transfer to any Person any of the Trustee's interest in the Financed Asset or the Trustee's rights, title or interest in, to or under this Financed Asset Agreement.

**Section 11.02. Transfer of the State's Interest in Agreement and Financed Asset Prohibited.**

(a) Except as otherwise permitted by Section 6.04 hereof with respect to subleasing or grants of use of the Financed Asset, Section 6.05 with respect to substitutions of other property for Financed Asset and subsection (b) of this Section with respect to transfers of the Financed Asset following termination of this Financed Asset Agreement or as otherwise required by law, the State shall not sublease, assign, encumber, convey or otherwise transfer all or any portion of its interest in this Financed Asset Agreement or the Financed Asset to any Person, whether now in existence or organized hereafter.

(b) Notwithstanding subsection (a) of this Section, the State may transfer its interest in the Financed Asset after, and only after, this Financed Asset Agreement has terminated and the Financed Asset has been conveyed to the State pursuant to Article VII hereof.

**ARTICLE XII**

**MISCELLANEOUS**

**Section 12.01. Binding Effect.** This Financed Asset Agreement shall inure to the benefit of and shall be binding upon the Trustee and the State and their respective successors and assigns, subject, however, to the limitations set forth in Article XI hereof. This Financed Asset Agreement and the covenants set forth herein are expressly intended to be covenants, conditions and restrictions running with the Financed Asset and the Leasehold estate in the Financed Asset under this Financed Asset Agreement.

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**Section 12.02. Interpretation and Construction.** This Financed Asset Agreement and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Financed Asset Agreement. For purposes of this Financed Asset Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this Financed Asset Agreement to designated “Articles,” “Sections,” “subsections,” “paragraphs,” “clauses” and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses and other subdivisions of this Financed Asset Agreement. The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder” and other words of similar import refer to this Financed Asset Agreement as a whole and not to any particular Article, Section or other subdivision.

(b) The terms defined in the Glossary have the meanings assigned to them in the Glossary and include the plural as well as the singular.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time.

(d) The term “money” includes any cash, check, deposit, investment security or other form in which any of the foregoing are held hereunder.

(e) In the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and each of the words “to” and “until” means “to but excluding.”

**Section 12.03. Acknowledgement of Indenture.** The State has received a copy of, and acknowledges the terms of, the Indenture.

**Section 12.04. Trustee and State Representatives.** Whenever under the provisions hereof the approval of the Trustee or the State is required, or the Trustee or the State is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Trustee by the Trustee Representative and for the State by the State Representative and the Trustee and the State shall be authorized to act on any such approval or request.

**Section 12.05. Manner of Giving Notices.** All notices, certificates or other communications hereunder shall be in writing and shall be deemed given when mailed by first class United States mail, postage prepaid, or when sent by facsimile transmission or electronic mail, addressed as follows: if to the State, to Colorado State Treasurer, 140 State Capitol, Denver, CO 80203, Attention: Debt Manager, facsimile number: 303-866-2123, electronic mail address: james.eke@state.co.us, with a copy to Colorado State Controller, 1525 Sherman Street, 5<sup>th</sup> Floor Denver, Colorado 80202, Attention: Robert Jaros, facsimile number: 303-866-4233, electronic mail address: bob.jaros@state.co.us; and if to the Trustee, to U.S. Bank Trust Company, National Association, 950 17<sup>th</sup> Street, 12<sup>th</sup> floor, Denver, Colorado 80202, Attention: Corporate Trust Services –DN-CO-T12C, electronic mail address: \_\_\_\_\_. Any notice party may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

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**Section 12.06. No Individual Liability.** All covenants, stipulations, promises, agreements and obligations of the State or the Trustee, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the State or the Trustee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the State or the Trustee in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the State or the Trustee or any natural person executing this Financed Asset Agreement or any related document or instrument; provided that such person is acting within the scope of his or her employment, membership, directorship or agency, as applicable, and not in a manner that constitutes gross negligence or willful misconduct.

**Section 12.07. Amendments, Changes and Modifications.** Except as otherwise provided herein or in the Indenture, this Financed Asset Agreement may only be amended, changed, modified or altered by a written instrument executed by the State and the Trustee; and the Trustee shall, if and when requested by the State, execute and deliver any amendment to this Financed Asset Agreement proposed by the State upon delivery to the Trustee of an opinion of Bond Counsel stating that such amendment does not violate the Indenture or the Agreements.

**Section 12.08. Events Occurring on Days that are not Business Days.** If the date for making any payment or the last day for performance of any act or the exercising of any right under this Financed Asset Agreement is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Financed Asset Agreement.

**Section 12.09. Legal Description of Land Included in Financed Asset.** The legal description of the land included in the Financed Asset subject to this Financed Asset Agreement is set forth in Exhibit A hereto. If the land included in the Financed Asset subject to this Financed Asset Agreement is modified pursuant to the terms of this Financed Asset Agreement or other land is substituted for land included in the Financed Asset subject to this Financed Asset Agreement pursuant to the terms of this Financed Asset Agreement, the legal description set forth in Exhibit A hereto will be amended to describe the land included in the Financed Asset subject to this Financed Asset Agreement after such modification or substitution.

**Section 12.10. Merger.** The Trustee and the State intend that the legal doctrine of merger shall have no application to this Financed Asset Agreement or the Site Lease and that none of the execution and delivery of this Financed Asset Agreement by the Trustee and the State, any Site Lease by the State and the Trustee or the exercise of any remedies by any party under this Financed Asset Agreement or any Site Lease shall operate to terminate or extinguish this Financed Asset Agreement or the Site Lease.

**Section 12.11. Severability.** In the event that any provision of this Financed Asset Agreement, other than the obligation of the State to pay Rent hereunder and the obligation of the Trustee to provide quiet enjoyment of the Financed Asset and to convey the Financed Asset to the State pursuant to Article VIII hereof, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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**Section 12.12. Captions.** The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Financed Asset Agreement.

**Section 12.13. Applicable Law.** The laws of the State and rules and regulations issued pursuant thereto, as the same may be amended from time to time, shall be applied in the interpretation, execution and enforcement of this Financed Asset Agreement. Any provision of this Financed Asset Agreement, whether or not incorporated herein by reference, which provides for arbitration by an extra-judicial body or person or which is otherwise in conflict with said laws, rules and regulations shall be considered null and void. Nothing contained in any provision hereof or incorporated herein by reference which purports to negate this Section in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense or otherwise. Any provision rendered null and void by the operation of this Section will not invalidate the remainder of this Financed Asset Agreement to the extent that this Financed Asset Agreement is capable of execution. At all times during the performance of this Financed Asset Agreement, the Trustee shall strictly adhere to all applicable federal and State laws, rules and regulations that have been or may hereafter be established.

**Section 12.14. State Controller's Approval.** This Financed Asset Agreement shall not be deemed valid until it has been approved by the State Controller or such assistant as the State Controller may designate. Financial obligations of the State payable after the current Fiscal Year are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available.

**Section 12.15. Non-Discrimination.** The Trustee agrees to comply with the letter and the spirit of all applicable State and federal laws respecting discrimination and unfair employment practices.

**Section 12.16. Vendor Offset.** Pursuant to C.R.S. §§ 24-30-202(1) and 24-30-202.4, the State Controller may withhold payment of certain amounts owed by State agencies under the State's vendor offset intercept system for (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in C.R.S. § 39-21-101 et seq.; (c) unpaid balances of tax, accrued interest or other charges specified in C.R.S. § 39-21-101 et seq.; (d) unpaid loans due to the Student Loan Division of the Department of Higher Education; (e) amounts required to be paid to the Unemployment Compensation Fund; and (f) other unpaid debts certified by the State Controller as owing to the State as a result of final agency determination or judicial action.

**Section 12.17. Employee Financial Interest.** The signatories to this Financed Asset Agreement aver that, to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described herein.

**Section 12.18. Execution in Counterparts.** This Financed Asset Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, solely in its  
capacity as trustee under the Indenture

STATE OF COLORADO  
Jared S. Polis, Governor, acting by and  
through the Department of the Treasury

STATE CONTROLLER  
ROBERT JAROS, MBA, CPA, JD

By \_\_\_\_\_  
Robert Jaros, State Controller

By \_\_\_\_\_  
Tana M. Lane, State Architect

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The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024  
by \_\_\_\_\_ as an authorized signatory of U.S. Bank Trust Company, National Association.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

\_\_\_\_\_  
Notary

My commission expires:

\_\_\_\_\_



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DRAFT AND SUBJECT TO CHANGE

EXHIBIT A

LEGAL DESCRIPTION OF LAND

**Commented [LM4]:** Same as Site Lease and Sublease.

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DRAFT AND SUBJECT TO CHANGE

EXHIBIT B

BASE RENT PAYMENT SCHEDULE

Date	Principal Component	Interest Component
<u>[To be modified]</u>		
12/12/2024		
6/12/2023		
12/12/2023		
6/12/2024		
12/12/2024		
6/12/2025		
12/12/2025		
6/12/2026		
12/12/2026		
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12/12/2037		
6/12/2038		
12/12/2038		
6/12/2039		
12/12/2039		
06/12/2040		
12/12/2040		
06/12/2041		
12/12/2041		

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EXHIBIT C

RELEASE AND AMORTIZATION SCHEDULE

TOTAL AMOUNTS OF BASE RENT PRINCIPAL PAYMENTS AND OPTIONAL PRIOR REDEMPTIONS WHICH MUST BE MADE OR OF CERTIFICATES WHICH MUST BE PAID OR DEFEASED, TO RELEASE <sup>(1)</sup>	PORTION OF THE FINANCED ASSETS TO BE RELEASED
--	--

\$ _____	CSU Building Project
\$ _____	MSU Building Project
\$ _____	TSC Building Project
\$ _____	UNC Building Project

(1) Pursuant to Section 6.09 of the Financed Asset Agreement, when the principal component of Base Rentals paid by the State, plus the principal amount of Certificates redeemed through optional redemption, or the total principal amount of Certificates paid or deemed to be paid, totals an amount set forth in this column, the corresponding portion of the Financed Asset will be deemed amortized and shall be released from the lien of the Site Sublease, the Financed Asset Agreement and the Indenture, provided, however, that the Fair Market Value of the remaining Financed Assets shall be at least equal to 90% of the aggregate principal amount of the Certificates Outstanding at the time of such release, as certified in writing by the State.

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EXHIBIT D

FORM OF RELEASE

**PARTIAL RELEASE OF INDENTURE, FINANCED ASSET AGREEMENT  
AND SITE SUBLEASE**

THE UNDERSIGNED each certifies, acknowledges and agrees on behalf of U.S. Bank Trust Company, National Association (the “Trustee”) under the Master Trust Indenture dated as of \_\_\_\_\_1, 2024, as supplemented by the Series 2024A Supplemental Trust Indenture (collectively, the “Indenture”), the Site Sublease (the “Site Lease”), by and between the Trustee and the State of Colorado (the “State”) and the Financed Purchase of an Asset Agreement dated as of \_\_\_\_\_1, 2024 by and between the Trustee and the State (the “Financed Asset Agreement”), as such documents are recorded in the real estate records of the City and County of Denver, Colorado, Weld County, Colorado and Las Animas County, Colorado.

WHEREAS, the Trustee and the State now desire to release certain real property from the Site Lease and the Financed Asset Agreement, which property is more particularly described on **Exhibit A** attached hereto and by this reference incorporated herein.

WHEREAS, the Financed Asset Agreement provides that when the principal component of the Base Rentals paid by the State, plus the principal amount of any Certificates redeemed through optional redemption, or the total principal amount of Certificates paid or deemed to be paid pursuant to the Indenture, equals the amount set forth in **Exhibit C** of the Financed Asset Agreement, the corresponding portion of the Financed Asset set forth in **Exhibit C** of the Financed Asset Agreement (or of any property substituted for such portion of the Financed Asset pursuant to any provision of the Financed Asset Agreement) shall be deemed to have been fully amortized and the Trustee shall execute and deliver to the State all documents necessary to release such portion of the Financed Asset from the provisions of the Site Lease and the Financed Asset Agreement (or any property substituted for such portion of the Financed Asset pursuant to any provision of the Financed Asset Agreement) and the lien thereon granted to the Trustee pursuant to the Indenture; provided, however, that the Fair Market Value of the remaining Financed Assets shall be at least equal to 90% of the aggregate principal amount of the Certificates Outstanding at the time of such release, as certified in writing by the Lessee.

WHEREAS, the State has certified in writing to the satisfaction of the Trustee that the Fair Market Value of the remaining Financed Assets is at least equal to 90% of the aggregate principal amount of the Certificates Outstanding.

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

1. Effective as of the date hereof, the Trustee does hereby demise, release and quitclaim unto the present owner or owners of said real property, and unto the heirs, successors and assigns of such owner or owners forever, all the right, title and interest which the Trustee has under and by virtue of the Indenture, the Site Lease, and the Financed Asset Agreement in the real

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**DRAFT AND SUBJECT TO CHANGE**

estate described in **Exhibit A** hereto, to have and to hold the same, with all the privileges and appurtenances thereunto belonging forever.

2. This Partial Release may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

3. Except as otherwise provided herein, defined terms herein have the meanings set forth in the Indenture and the Site Lease.

(remainder of page intentionally left blank)

DRAFT AND SUBJECT TO CHANGE

Dated: \_\_\_\_\_, 20\_\_.

U.S. Bank Trust Company, National Association, as  
Trustee

By: \_\_\_\_\_

STATE OF COLORADO     )  
  ) ss.  
CITY AND COUNTY OF DENVER     )

The foregoing Partial Release of Indenture, Financed Asset Agreement and Site Lease was  
acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, a \_\_\_\_\_ of U.S.  
Bank Trust Company, National Association

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

[SEAL]

Acknowledged by:

STATE OF COLORADO  
Jared S. Polis, Governor, acting by and through the Department of the Treasury

\_\_\_\_\_  
David L. Young, Treasurer

STATE OF COLORADO     )  
  ) ss.  
CITY AND COUNTY OF     )  
DENVER                         )

**DRAFT AND SUBJECT TO CHANGE**

The foregoing Partial Release of Indenture, Financed Asset Agreement and Site Lease was acknowledged before me this \_\_\_\_ day of \_\_\_\_, 20\_\_, by \_\_\_\_\_, \_\_\_\_\_, acting by and through The State of Colorado.

Witness my hand and official seal.

---

Notary Public

[SEAL]



DRAFT AND SUBJECT TO CHANGE

**EXHIBIT A**

**LEGAL DESCRIPTION OF RELEASED PROPERTY**

[to be attached at time of execution of release]

**DRAFT AND SUBJECT TO CHANGE**

After recording return to:  
Michael R. McGinnis  
Greenberg Traurig, LLP  
1144 15th Street, Suite 3300  
Denver, Colorado 80202

---

**STATE OF COLORADO  
HIGHER EDUCATION HEALTH SCIENCES FACILITIES  
MASTER TRUST INDENTURE**

by

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**  
as Trustee

authorizing

State of Colorado  
Higher Education Health Sciences Facilities  
Certificates of Participation

Dated as of \_\_\_\_\_ 1, 2024

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**DRAFT AND SUBJECT TO CHANGE**

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**APPENDIX A      GLOSSARY**

**STATE OF COLORADO  
HIGHER EDUCATION HEALTH SCIENCES FACILITIES  
MASTER TRUST INDENTURE**

This State of Colorado Higher Education Health Sciences Facilities Master Trust Indenture (this “Master Indenture”) is dated as of \_\_\_\_\_ 1, 2024, and is executed and delivered by U.S. Bank Trust Company, National Association, a national banking association duly organized and validly existing under the laws of the United States, as trustee for the benefit of the Owners of the Certificates (the “Trustee”). *Capitalized terms used but not defined herein have the meanings assigned to them in the Glossary attached hereto, as such Glossary is amended, supplemented and restated from time to time.*

RECITALS

This Master Indenture is being executed and delivered to provide for the execution, delivery and payment of and security for the Certificates, the proceeds of which will be used to finance the Projects and the costs of issuance of the Certificates. The Certificates evidence undivided interests in the right to receive Financed Asset Agreement Revenues. The Certificates will be executed and delivered in Series and Supplemental Indentures will be executed and delivered to provide additional terms applicable to each Series of Certificates.

AGREEMENT

The Trustee hereby declares for the benefit of the Owners and the State as follows:

**ARTICLE I  
SECURITY FOR CERTIFICATES**

**Section 1.01 Trust Estate.** The Trustee, in consideration of the premises, the purchase of the Certificates by the Owners and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Certificates and all other amounts payable to the Owners with respect to the Certificates, to secure the performance and observance of all the covenants and conditions set forth in the Certificates and the Indenture, and to declare the terms and conditions upon and subject to which the Certificates are executed, delivered and secured, has executed and delivered this Master Indenture and has granted, assigned, pledged, bargained, sold, alienated, demised, leased, conveyed, set over and confirmed, and by these presents does grant, assign, pledge, bargain, sell, alienate, demise, lease, convey, set over and confirm, in trust upon the terms set forth herein all and singular the following described property, franchises and income, including any title or interest therein acquired after these presents, all and singular the following described property, franchises and income, including any title therein acquired after these presents:

(a) the Financed Asset Agreement and the tenements, hereditaments, appurtenances, rights, privileges and immunities thereto belonging or appertaining, subject to the terms of the Financed Asset Agreement including, but not limited to, the terms of such Financed Asset Agreement permitting the existence of Permitted Encumbrances;

(b) all rights, title and interest of the Trustee in, to and under the Financed Asset Agreement (other than the Trustee's rights to payment of its fees and expenses under such Financed Asset Agreement and the rights of third parties to Additional Rent payable to them under such Financed Asset Agreement);

(c) all Base Rent payable pursuant to the Financed Asset Agreement;

(d) the State's Purchase Option Price paid pursuant to the Financed Asset Agreement, if paid (including any Net Proceeds used to pay the State's Purchase Option Price);

(e) all money and securities from time to time held by the Trustee under this Indenture in the Certificate Fund, the Capital Construction Fund and the State Expense Fund (but not the Rebate Fund or any defeasance escrow account); and

(f) any and all other property, revenues or funds from time to time hereafter by delivery or by writing of any kind specially granted, assigned or pledged as and for additional security hereunder, by any Person in favor of the Trustee, which shall accept any and all such property and hold and apply the same subject to the terms hereof.

**Section 1.02 Discharge of Indenture.** If this Master Indenture is discharged in accordance with Section 9.01 hereof, the right, title and interest of the Trustee and the Owners in and to the Trust Estate shall terminate and be discharged; otherwise this Master Indenture is to be and remain in full force and effect.

**Section 1.03 Certificates Secured on a Parity Unless Otherwise Provided.** The Trust Estate shall be held by the Trustee for the equal and proportionate benefit of the Owners of all Outstanding Certificates, and any of them, without preference, priority or distinction as to lien or otherwise, except as expressly set forth in the Indenture.

**Section 1.04 Limited Obligations.**

(a) Payment of Rent and all other payments by the State shall constitute currently appropriated expenditures of the State and may be paid solely from legally available moneys in accordance with the Act. All obligations of the State under the Financed Asset Agreement shall be subject to the action of the Colorado General Assembly in annually making moneys available for payments thereunder. The obligations of the State to pay Rent and all other obligations of the State under the Financed Asset Agreement are subject to appropriation by the Colorado General Assembly and allocation by the Transportation Commission, in their respective sole discretion, and shall not be deemed or construed as creating an indebtedness of the State within the meaning of any provision of the State Constitution or the laws of the State concerning or limiting the creation of indebtedness of the State and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the State within the meaning of Section 20(4) of Article X of the State Constitution. In the event the State does not renew the Financed Asset Agreement, the sole security available to the Trustee, as lessor under the Financed Asset Agreement, shall be the leased property under the Financed Asset Agreement, subject to the terms of the Financed Asset Agreement.

(b) The Certificates evidence undivided interests in the right to receive Financed Asset Agreement Revenues and shall be payable solely from the Trust Estate. No provision of the Certificates, the Indenture, any Financed Asset Agreement, the Site Sublease, or any other document or instrument shall be construed or interpreted (i) to directly or indirectly obligate the State to make any payment in any Fiscal Year in excess of amounts appropriated by the Colorado General Assembly for Rent for such Fiscal Year; (ii) as creating a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the State within the meaning of Section 3 of Article XI, Section 20 of Article X of the State Constitution or any other limitation or provision of the State Constitution, State statutes or other State law; (iii) as a delegation of governmental powers by the State; (iv) as a loan or pledge of the credit or faith of the State or as creating any responsibility by the State for any debt or liability of any person, company or corporation within the meaning of Section 1 of Article XI of the State Constitution; or (v) as a donation or grant by the State to, or in aid of, any person, company or corporation within the meaning of Section 2 of Article XI of the State Constitution.

(c) The provisions of this Section are hereby expressly incorporated into each Supplemental Indenture. The Certificates shall contain statements substantially in the form of subsections (a) and (b) of this Section.

**Section 1.05 Certificates Constitute a Contract.** The Certificates shall constitute a contract between the Trustee and the Owners. In no event shall any decision by the Colorado General Assembly not to appropriate any amounts payable under a Financed Asset Agreement be construed to constitute an action impairing such contract.

## ARTICLE II AUTHORIZATION, TERMS, EXECUTION AND DELIVERY OF CERTIFICATES

**Section 2.01 Authorization, Name and Amount.** No Certificates may be executed and delivered hereunder except in accordance with this Article. The Certificates may be issued in one or more Series. Each Series of Certificates shall be named State of Colorado Higher Education Health Sciences Facilities Certificates of Participation, a year and letter that corresponds to the year and letter in the name of the Financed Asset Agreement that is entered into in connection with the issuance of such Series of Certificates and, if more than one Series of Certificates are issued at the same time, a dash and a number to distinguish such Series of Certificates from the other Series of Certificates issued at the same time. The aggregate principal amount of Certificates that may be executed and delivered is not limited in amount.

### **Section 2.02 Purpose, Payment, Authorized Denominations and Numbering.**

(a) The Certificates shall be sold, executed and delivered for the purpose of paying the costs of the Projects and the Costs of Issuance, making deposits to funds, accounts and subaccounts held by the Trustee or, if proceeds of the applicable Series of Certificates are to be used to defease Outstanding Certificates pursuant to Section 9.01 hereof, making deposits to a defeasance escrow account and paying other costs associated with the defeasance.



(b) The Certificates shall be issuable only as fully registered Certificates in Authorized Denominations. The Certificates shall be numbered in such manner as shall be determined by the Trustee.

(c) The principal of and premium, if any, on any Certificate shall be payable to the Owner thereof as shown on the registration records of the Trustee upon maturity or prior redemption thereof and upon presentation and surrender at the offices of the Trustee, the address of which is set forth in Section 9.09 hereof. Payment of interest on the Certificates shall be made by check or draft of the Trustee mailed, on or before each Interest Payment Date, to the Owner thereof at his address as it last appears on the registration records of the Trustee at the close of business on the Record Date. Any such interest not so timely paid shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Certificates, not less than ten days prior to the Special Record Date, by first-class mail to each such Owner as shown on the Trustee's registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed to in writing between the Owner of any Certificate and the Trustee.

**Section 2.03 Form of Certificates.** The Certificates of each Series shall be in substantially the form set forth in the Supplemental Indenture authorizing such Series of Certificates or an exhibit, appendix or other attachment thereto, with such changes thereto, not inconsistent with this Master Indenture or such Supplemental Indenture, as may be necessary or desirable and approved by the State.

**Section 2.04 Execution and Authentication of Certificates.** The manual signature of a duly authorized signatory of the Trustee shall appear on each Certificate. Any Certificate shall be deemed to have been executed by a duly authorized signatory of the Trustee if signed by the Trustee, but it shall not be necessary that the same signatory sign all of the Certificates executed and delivered hereunder. If any signatory of the Trustee whose signature appears on a Certificate shall cease to be such official before delivery of the Certificates, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained a duly authorized signatory of the Trustee until delivery.

**Section 2.05 Mutilated, Lost, Stolen or Destroyed Certificates.** In the event that any Certificate is mutilated, lost, stolen or destroyed, a new Certificate may be executed on behalf of the Trustee, of like Series, date, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed; provided that the Trustee shall have received such evidence, information or indemnity from the Owner of the Certificate as the Trustee may reasonably require, and provided further, in case of any mutilated Certificate, that such mutilated Certificate shall first be surrendered to the Trustee. In the event that any such Certificate shall have matured, instead of issuing a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee may charge the Owner of the Certificate with its reasonable fees and expenses in this

connection and require payment of such fees and expenses as a condition precedent to the delivery of a new Certificate.

**Section 2.06 Registration of Certificates; Persons Treated as Owners; Transfer and Exchange of Certificates.**

(a) Records for the registration and transfer of Certificates shall be kept by the Trustee which is hereby appointed the registrar for the Certificates. The principal of, interest on, and any prior redemption premium on any Certificate shall be payable only to or upon the order of the Owner or his legal representative (except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest). Upon surrender for transfer of any Certificate at the Operations Center of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee shall enter such transfer on the registration records and shall execute and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of a like Series, aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned.

(b) Fully registered Certificates may be exchanged at the Operations Center of the Trustee for an equal aggregate principal amount of fully registered Certificates of the same Series, maturity and interest rate of other Authorized Denominations. The Trustee shall execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned.

(c) The Trustee may require the payment, by the Owner of any Certificate requesting exchange or transfer, of any reasonable charges as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer.

(d) The Trustee shall not be required to transfer or exchange (i) all or any portion of any Certificate during the period beginning at the opening of business 15 days before the day of the mailing by the Trustee of notice calling any Certificates for prior redemption and ending at the close of business on the day of such mailing, or (ii) all or any portion of a Certificate after the mailing of notice calling such Certificate or any portion thereof for prior redemption.

(e) Except as otherwise herein provided with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or interest on any Certificate shall be made only to or upon the written order of the Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

(f) Notwithstanding any other provision hereof, except as otherwise provided in a Supplemental Indenture with respect to one or more Series of Certificates, the

Certificates shall be delivered only in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, acting as securities depository of the Certificates and principal of, premium, if any and interest on the Certificates shall be paid by wire transfer to DTC; provided, however, if at any time the State or the Trustee determines that DTC is no longer able to act as, or is no longer satisfactorily performing its duties as, securities depository for the Certificates, the State may, at its discretion, either (i) designate a substitute securities depository for DTC, whereupon the Trustee shall reregister the Certificates as directed by such substitute securities depository or (ii) terminate the book-entry registration system, whereupon the Trustee shall reregister the Certificates in the names of the beneficial owners thereof provided to it by DTC. The Trustee shall have no liability to DTC, Cede & Co., any substitute securities depository, any Person in whose name the Certificates are reregistered at the direction of any substitute securities depository, any beneficial owner of the Certificates or any other Person for (A) any determination made by the State or the Trustee pursuant to the proviso at the end of the immediately preceding sentence or (B) any action taken to implement such determination and the procedures related thereto that is taken pursuant to any direction of or in reliance on any information provided by DTC, Cede & Co., any substitute securities depository or any Person in whose name the Certificates are reregistered.

**Section 2.07 Cancellation of Certificates.** Whenever any Outstanding Certificate shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment thereof or for or after replacement pursuant to Section 2.05 or 2.06 hereof, such Certificate shall be promptly cancelled by the Trustee.

**Section 2.08 Negotiability.** Subject to the registration provisions hereof, the Certificates shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owners thereof shall possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the Certificates shall be paid, and the Certificates shall be transferable, free from and without regard to any equities, set-offs or cross-claims between the Trustee and the original or any intermediate owner of any Certificates.

**Section 2.09 Conditions to Execution and Delivery of Certificates.** No Series of Certificates may be executed and delivered unless each of the following conditions has been satisfied:

(a) The Trustee has received a form of Supplemental Indenture that specifies the following: (i) the Series name, the aggregate principal amount, the Authorized Denominations, the dated date, the maturity dates, the interest rates, if any, the redemption provisions, if any, the form and any variations from the terms set forth in this Master Indenture with respect to such Series of Certificates; (ii) any amendment, supplement or restatement of the Glossary required or deemed by the State to be advisable or desirable in connection with such Supplemental Indenture; and (iii) any other provisions deemed by the State to be advisable or desirable and that do not violate and are not in conflict with this Master Indenture or any previous Supplemental Indenture.

(b) The Trustee has received forms of a new Site Sublease and Financed Asset Agreement or amendments to an existing Site Sublease and Financed Asset Agreement adding any new Financed Asset and/or amendments to an existing Site Sublease and Financed Asset Agreement removing or modifying any Financed Asset that is to be removed or modified.

(c) If the proceeds of such Series of Certificates are to be used to defease Outstanding Certificates pursuant to Section 9.01 hereof, the Trustee shall have received a form of a defeasance escrow agreement and the other items required by Section 9.01 hereof.

(d) The State has certified to the Trustee that (i) the Fair Market Value of all Financed Asset, including any Financed Asset with respect to such Series of Certificates to be issued pursuant to the Supplemental Indenture, is at least equal to 90% of the principal amount of all Outstanding Certificates and the Series of Certificates to be issued, and (ii) no Event of Default or Event of Nonappropriation exists under any Financed Asset Agreement.

(e) The State has directed the Trustee in writing as to the delivery of the Series of Certificates and the application of the proceeds of the Series of Certificates, including, but not limited to, the amount to be deposited into each Project Account, the amount to be deposited into the Cost of Issuance Account and, if proceeds of such Series of Certificates are to be used to defease Outstanding Certificates pursuant to Section 9.01 hereof, the amount to be deposited into the defeasance escrow account established pursuant to Section 9.01 hereof.

(f) The Trustee has received a written opinion of Bond Counsel to the effect that (i) the Certificates of such Series have been duly authorized, executed and delivered pursuant to the Act and the Indenture (including the Supplemental Indenture executed and delivered in connection with the execution and delivery of such Series of Certificates) and will not cause an Adverse Tax Event, and (ii) the execution, sale and delivery of the Series of Certificates will not constitute an Event of Default or a Failure to Perform or cause any violation of the covenants set forth in the Indenture.

**Section 2.10 Execution and Delivery of Supplemental Indenture, Site Sublease, Financed Asset Agreement, Amendment to Site Sublease, Financed Asset Agreement or Defeasance Escrow Agreement; Delivery of Certificates; Application of Proceeds.** If the conditions set forth in Section 2.09 hereof have been satisfied, the Trustee shall execute and deliver the Supplemental Indenture, the Site Sublease, the Financed Asset Agreement, any amendment to any existing Site Sublease, Financed Asset Agreement or any defeasance escrow agreement provided to it pursuant to Section 2.09 hereof in the form provided to it and shall deliver the Series of Certificates and apply the proceeds of the Series of Certificates as directed by the State.

### ARTICLE III FUNDS AND ACCOUNTS SECTION

#### **Section 3.01 Certificate Fund.**

(a) ***Creation of Certificate Fund.*** A special fund is hereby created and established with the Trustee to be designated the State of Colorado Higher Education Health Sciences Facilities Certificates of Participation Certificate Fund (the “Certificate Fund”) and, within such fund, the Interest Account; Principal Account; and the Purchase Option Account, and the Sinking Fund Account.

(b) ***Deposits into Accounts of Certificate Fund.***

(i) ***Deposits into Interest Account.*** There shall be deposited into the Interest Account: (A) accrued interest and capitalized interest, if any, received at the time of the execution and delivery of each Series of Certificates; (B) that portion of each payment of Base Rent by the State which is designated and paid as the interest component of Base Rent under the Financed Asset Agreement; (C) any Federal Direct Payment received with respect to the interest component of Base Rent payable by the State under any Financed Asset Agreement; (D) any moneys transferred to the Interest Account from the State Expense Fund pursuant to Section 3.03(c) hereof; (E) any moneys transferred to the Interest Account from the Rebate Fund pursuant to Section 3.04(d) hereof; and (F) all other moneys received by the Trustee that are accompanied by directions from the State that such moneys are to be deposited into the Interest Account.

(ii) ***Deposits into Principal Account.*** There shall be deposited into the Principal Account: (A) that portion of each payment of Base Rent by the State which is designated and paid as the Amortizing Principal component of Base Rent under a Financed Asset Agreement; (B) any moneys transferred to the Principal Account from a Sinking Fund Account pursuant to paragraph (iv) of subsection (c) of this Section; (C) any moneys transferred to the Principal Account from the State Expense Fund pursuant to Section 3.03(c) hereof; and (D) all other moneys received by the Trustee that are accompanied by directions from the State that such moneys are to be deposited into the Principal Account.

(iii) ***Deposits into Purchase Option Account.*** There shall be deposited into the Purchase Option Account: (A) the State’s Purchase Option Price; (B) any money transferred to the Purchase Option Account from the State Expense Fund pursuant to Section 3.02(c) hereof; and (C) all other moneys received by the Trustee that are accompanied by directions from the State that such moneys are to be deposited into the Purchase Option Account.

(iv) ***Deposits into Sinking Fund Accounts.*** There shall be deposited into each Sinking Fund Account (A) that portion of each payment of Base Rent by the State which is designated and paid as the Sinking Fund Principal component of Base Rent under the Financed Asset Agreement with the same Series designation as such Sinking Fund Account; (B) any moneys transferred to such Sinking Fund Account from the State Expense Fund pursuant to Section 3.03(c) hereof; and (C) all other moneys received by the Trustee that are accompanied by directions from the State that such moneys are to be deposited into such Sinking Fund Account.

(c) *Use of Moneys in Accounts of Certificate Fund.*

(i) *Use of Moneys in Interest Account.* Except as otherwise specifically provided below in this paragraph, moneys in the Interest Account shall be used solely for the payment of interest on the Certificates, except that:

(A) interest on Certificates payable as part of the redemption price of Certificates that are redeemed as a result of the exercise by the State of its option under a Financed Asset Agreement to purchase a portion of (but not all) the Financed Asset, shall be paid solely from the Purchase Option Account;

(B) moneys representing accrued interest and capitalized interest received at the time of the execution and delivery of any Series of Certificates shall be used solely to pay the first interest due on such Series of Certificates;

(C) any moneys other than those described in clause (B) above that are transferred to the Interest Account with specific instructions as to their use shall be used solely in accordance with such instructions;

(D) any moneys remaining in the Interest Account after all the interest payable from the Interest Account on all Certificates has been paid shall be transferred to the Principal Account; and

(E) notwithstanding the foregoing, all moneys in the Interest Account shall (I) be used in accordance with Section 7.15 hereof following an Event of Default or Event of Nonappropriation and (II) be available to the extent moneys in the Purchase Option Account are not sufficient to pay the redemption price of all the Certificates following the exercise by the State of its options under the Financed Asset Agreement to purchase all of the Financed Asset subject to the Financed Asset Agreement.

(ii) *Use of Moneys in Principal Account.* Except as otherwise specifically provided below in this paragraph, moneys in the Principal Account shall be used solely for the payment of principal of the Certificates, except that:

(A) principal of Certificates payable as part of the redemption price of Certificates that are redeemed as a result of the exercise by the State of its option under a Financed Asset Agreement to purchase a portion of (but not all) the Financed Asset shall be paid solely from the Purchase Option Account;

(B) except as otherwise provided in clause (A) above, any moneys that are transferred to the Principal Account with specific instructions as to their use shall be used solely in accordance with such instructions; and



(C) notwithstanding the foregoing, all moneys in the Principal Account shall (I) be used in accordance with Section 7.15 hereof following an Event of Default or Event of Nonappropriation and (II) shall be available to the extent moneys in the Purchase Option Account are not sufficient to pay the redemption price of all the Certificates following the exercise by the State of its options under the Financed Asset Agreement to purchase all the Financed Asset subject to all Financed Asset Agreement.

(iii) *Use of Moneys in Purchase Option Account.* Except as otherwise specifically provided below in this paragraph, moneys in the Purchase Option Account shall be used solely for the payment of the redemption price of Certificates that are redeemed as a result of the exercise by the State of its option under one or more Financed Asset Agreement to purchase a part or all of the Financed Asset , except that:

(A) the State's Purchase Option Price paid with respect to a portion (but not all) of the leased property subject to a Financed Asset Agreement shall be used only to pay the redemption price of Certificates with the same Series designation as such Financed Asset Agreement; and

(B) notwithstanding the foregoing, all moneys in the Purchase Option Account shall be used (I) in accordance with Section 7.15 hereof following an Event of Default or Event of Nonappropriation and (II) to pay the redemption price of all the Certificates following the exercise by the State of its options under the Financed Asset Agreement to purchase all the Financed Asset subject to the Financed Asset Agreement.

(iv) *Use of Moneys in Sinking Fund Accounts.* Except as otherwise specifically provided below in this paragraph, moneys in each Sinking Fund Account shall be used solely for the payment of the principal of and the principal portion of the redemption price of Certificates with the same Series designation as such Sinking Fund Account. Notwithstanding the foregoing, (A) moneys remaining in a Sinking Fund Account after payment of the principal of and the principal portion of the redemption price of Certificates with the same Series designation as such Sinking Fund Account shall be transferred to the Principal Account; and (B) all moneys in the Sinking Fund Accounts shall (I) be used in accordance with Section 7.15 hereof following an Event of Default or Event of Nonappropriation and (II) be available to the extent moneys in the Purchase Option Account are not sufficient to pay the redemption price of all the Certificates following the exercise by the State of its options under the Financed Asset Agreement to purchase all the leased property subject to the Financed Asset Agreement.

### **Section 3.02 Capital Construction Fund.**

(a) *Creation of Capital Construction Fund.* A special fund is hereby created and established with the Trustee to be designated the State of Colorado Higher Education

Health Sciences Facilities Capital Construction Fund (the “Capital Construction Fund”), and, within such fund, the Costs of Issuance Account and the Project Account. The Trustee may establish such additional accounts within the Capital Construction Fund or such subaccounts within any of the existing or any future accounts of the Capital Construction Fund as may be necessary or desirable.

(b) ***Deposits into Accounts of Capital Construction Fund.***

(i) ***Proceeds of Certificates.*** Proceeds from the sale of each Series of Certificates shall be deposited into the Costs of Issuance Account and the Project Account in the amounts designated by the State in connection with the execution and delivery of such Series of Certificates.

(ii) ***Other Deposits to Accounts.*** There shall also be deposited into the Costs of Issuance Account and the Project Account any moneys received by the Trustee that are accompanied by instructions to deposit the same into such account.

(c) ***Use of Moneys in Costs of Issuance Account.*** Moneys held in the Costs of Issuance Account shall be used to pay Costs of Issuance as directed in writing by the State. The Trustee shall transfer any amounts held in the Costs of Issuance Account that are not required to pay Costs of Issuance to the State Expense Fund or one or more Project Accounts as directed in writing by the State. Notwithstanding the foregoing, moneys in the Costs of Issuance Account shall (I) be used in accordance with Section 7.15 hereof following an Event of Default or Event of Nonappropriation and (II) be available to the extent moneys in the Purchase Option Account are not sufficient to pay the redemption price of all the Certificates following the exercise by the State of its options under the Financed Asset Agreement to purchase all the leased property subject to the Financed Asset Agreement.

(d) ***Use of Moneys in Project Accounts.*** Moneys held in the subaccounts of the Project Account shall be disbursed as provided for in a Supplemental Trust Indenture.

**Section 3.03 State Expense Fund.**

(a) ***Creation of State Expense Fund.*** A special fund is hereby created and established with the Trustee to be designated as the State of Colorado Higher Education Health Sciences Facilities Certificates of Participation State Expense Fund (the “State Expense Fund”).

(b) ***Deposits into State Expense Fund.*** There shall be deposited into the State Expense Fund: (i) upon the execution and delivery of each Series of Certificates, proceeds from the sale of such Series of Certificates in the amount, if any, directed by the State; (ii) any moneys transferred to the State Expense Fund from the Costs of Issuance Account of the Capital Construction Fund pursuant to Section 3.02(c) hereof; and (iii) all other moneys received by the Trustee that are accompanied by instructions from the State to deposit the same into the State Expense Fund.



(c) ***Use of Moneys in State Expense Fund.***

(i) Moneys held in the State Expense Fund shall be applied by the Trustee as directed in writing by the State to: (A) reimburse or compensate the State for costs and expenses incurred by the State in connection with the Financed Assets, the Certificates, the Financed Asset Agreement, the Indenture, the Site Sublease, or any matter related thereto, including, but not limited to, a reasonable charge for the time of State employees and allocable overhead; (B) pay Base Rent to the Trustee or Additional Rent to the appropriate recipient; and (C) make a deposit to the Certificate Fund, the Capital Construction Fund, the Rebate Fund or any account or subaccount of any such fund.

(ii) Notwithstanding the foregoing, all moneys in the State Expense Fund shall (I) be used in accordance with Section 7.15 hereof following an Event of Default or Event of Nonappropriation and (II) be available to the extent moneys in the Purchase Option Account are not sufficient to pay the redemption price of all the Certificates following the exercise by the State of its options under the Financed Asset Agreement to purchase all the leased property subject to the Financed Asset Agreement.

**Section 3.04 Rebate Fund.**

(a) ***Creation of Rebate Fund.*** A special fund is hereby created and established with the Trustee to be designated the State of Colorado Higher Education Health Sciences Facilities Rebate Fund (the “Rebate Fund”). The Trustee shall create separate accounts within the Rebate Fund for each Series of Certificates (except that more than one Series may be combined for this purpose on the advice of Bond Counsel).

(b) ***Deposits into Rebate Fund.*** There shall be deposited into the appropriate account of the Rebate Fund (i) any moneys transferred to the Rebate Fund from the State Expense Fund pursuant to Section 3.03(c) hereof; (ii) all amounts paid by the State pursuant to subsection (e) of this Section; and (iii) all other moneys received by the Trustee that are accompanied by instructions to deposit the same into the Rebate Fund.

(c) ***Use of Moneys in Rebate Fund.*** Not later than 60 days after the date designated in the tax compliance certificate or similar certificate executed and delivered by the State in connection with the execution and delivery of a Series of Certificates and every five years thereafter, the Trustee shall, at the direction of the State, pay to the United States of America 90% of the amount required to be on deposit in the account of the Rebate Fund established for such Series of Certificates as of such payment date. No later than 60 days after the final retirement of each Series of Certificates, the Trustee shall, at the direction of the State, pay to the United States of America 100% of the amount required to be on deposit in the account of the Rebate Fund established for such Series of Certificates, which account shall remain in effect for such period of time as is necessary for such final payment to be made. Each payment required to be paid to the United States of America pursuant to this Section shall be filed with the appropriate Internal Revenue Service Center. Each payment shall be accompanied by a copy of the Internal Revenue Form 8038-T executed by the

State and a statement prepared by the State or its agent summarizing the determination of the amount to be paid to the United States of America. The Trustee acknowledges that the State has reserved the right, in all events, to pursue such remedies and procedures as are available to it in order to assert any claim of overpayment of any rebated amounts.

(d) ***Administration of Rebate Fund.*** The State, in the Financed Asset Agreement, has agreed to make or cause to be made all rebate calculations required to provide the information required to transfer moneys to the Rebate Fund pursuant to subsection (b) of this Section. The Trustee shall make deposits to and disbursements from accounts of the Rebate Fund in accordance with the written directions of the State given pursuant to the tax compliance certificates or similar certificates (including any investment instructions attached thereto) executed and delivered by the State in connection with the execution and delivery of each Series of Certificates. The Trustee shall, at the written direction of the State, invest moneys in each account of the Rebate Fund pursuant to the investment instructions attached to such tax compliance certificates and shall deposit income from said investments immediately upon receipt thereof in such account of the Rebate Fund, all as set forth in such certificates. The Trustee shall conclusively be deemed to have complied with such tax compliance certificates if it follows the written directions of the State, including supplying all necessary information requested by the State in the manner set forth in the tax compliance certificates, and shall not be required to take any actions thereunder in the absence of written directions from the State. Such investment instructions may be superseded or amended by new instructions drafted by, and accompanied by an opinion of, Bond Counsel addressed to the Trustee to the effect that the use of such new instructions will not cause an Adverse Tax Event. The State may employ, at its expense, a designated agent to calculate the amount of deposits to and disbursements from the Rebate Fund. If a withdrawal from the Rebate Fund is permitted as a result of the computation described in the investment instructions, the amount withdrawn shall be deposited in the Interest Account of the Certificate Fund.

(e) ***Payments by State.*** The State has agreed in the Financed Asset Agreement, subject to the terms of the Financed Asset Agreement, that, if, for any reason, the amount on deposit in the Rebate Fund is less than the amount required to be paid to the United States of America on any date, the State will pay to the Trustee as Additional Rent under the Financed Asset Agreement the amount required to make such payment on such date.

**Section 3.05 Nonpresentment of Certificates.** In the event any Certificate shall not be presented for payment when due, if funds sufficient to pay such Certificate shall have been made available to the Trustee for the benefit of the Owner thereof, it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the Owner of such Certificate, who shall be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture or on or with respect to such Certificate. Except as otherwise required by State escheat laws, funds so held but unclaimed by an Owner shall be transferred to the Principal Account of the Certificate Fund and shall be applied to the payment of the principal of other Certificates after the expiration of five years or, upon receipt by the Trustee of an opinion of Bond Counsel that such funds may be made available for such use on such earlier date, on any earlier date designated by the Trustee.

**Section 3.06 Moneys to be Held in Trust.** The Certificate Fund, the Capital Construction Fund, the State Expense Fund and, except for the Rebate Fund and any defeasance escrow account established pursuant to Section 9.01 hereof and the accounts and subaccounts thereof, any other fund or account created hereunder shall be held by the Trustee, for the benefit of the Owners as specified in the Indenture, subject to the terms of the Indenture and the Financed Asset Agreement. The Rebate Fund and the accounts thereof shall be held by the Trustee for the purpose of making payments to the United States of America pursuant to Section 3.04(c) hereof. Any escrow account established pursuant to Section 9.01 hereof shall be held for the benefit of the Owners of the Certificates to be paid therefrom as provided in the applicable escrow agreement.

**Section 3.07 Repayment to the State from Trustee.** After payment in full of the principal of, premium, if any, and interest on the Certificates, all rebate payments due to the United States of America, the fees and expenses of the Trustee and all other amounts required to be paid hereunder, any remaining amounts held by the Trustee hereunder shall be paid to the State.

## **ARTICLE IV REDEMPTION OF CERTIFICATES**

**Section 4.01 Redemption Provisions Set Forth in Supplemental Indentures.** The terms on which each Series of Certificates are subject to redemption shall be as set forth in the Supplemental Indenture authorizing the execution and delivery of such Series of Certificates.

**Section 4.02 Notice of Redemption.**

(a) Notice of the call for any redemption, identifying the Certificates or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by United States first-class mail, at least 30 days prior to the date fixed for redemption, and to the Owner of each Certificate to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings of any Certificates as to which no such failure has occurred.

(b) Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

(c) If at the time of mailing of notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Certificates called for redemption, which moneys are or will be available for redemption of Certificates, such notice will state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

**Section 4.03 Redemption Payments.**

(a) On or prior to the date fixed for redemption, the Trustee shall apply funds to the payment of the Certificates called for redemption, together with accrued interest thereon to the redemption date, and any required premium. Upon the giving of notice and the deposit of such funds as may be available for redemption pursuant to this Indenture

(which, in the case of certain redemptions, may be less than the full principal amount of the Outstanding Certificates and accrued interest thereon to the redemption date), interest on the Certificates or portions thereof thus called for redemption shall no longer accrue after the date fixed for redemption.

(b) The Trustee shall pay to the Owners of Certificates so redeemed, the amounts due on their respective Certificates, at the Operations Center of the Trustee upon presentation and surrender of the Certificates.

**Section 4.04 Cancellation.** All Certificates which have been redeemed shall not be reissued but shall be canceled by the Trustee in accordance with Section 2.07 hereof.

**Section 4.05 Delivery of New Certificates Upon Partial Redemption of Certificates.** Upon surrender and cancellation of a Certificate for redemption in part only, a new Certificate or Certificates of the same Series and maturity and of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion thereof, shall be executed on behalf of and delivered by the Trustee.

## **ARTICLE V INVESTMENTS**

### **Section 5.01 Investment of Moneys.**

(a) All moneys held as part of any fund, account or subaccount created hereunder shall, subject to Sections 5.02 and 6.04 hereof, be invested and reinvested by the Trustee, at the written direction of the State, in Permitted Investments. The Trustee may conclusively presume that any investment so directed by the State is a Permitted Investment. Any and all such investments shall be held by or under the control of the Trustee. The Trustee may invest in Permitted Investments through its own investment department, through the investment department of any Trust Bank or trust company under common control with the Trustee or through the State Treasurer. The Trustee may sell or present for redemption any investments so purchased whenever it shall be necessary in order to provide moneys to meet any payment hereunder, and the Trustee shall not be liable or responsible for any loss, fee, tax or other charge resulting from any investment, reinvestment or liquidation hereunder.

(b) Except as otherwise provided below or by Article III hereof, investments shall at all times be a part of the fund, account or subaccount from which the moneys used to acquire such investments shall have come, and all earnings on such investments shall be credited to, and losses thereon shall be charged against, such fund, account or subaccount. Notwithstanding the preceding sentence:

(i) Earnings from investments of moneys held in the Rebate Fund shall be deposited as provided in Section 3.04 hereof.

(ii) Earnings from investments of moneys held in any defeasance escrow account established pursuant to Section 9.01 hereof shall be deposited as

provided in the defeasance escrow agreement governing such defeasance escrow account.

(c) The Trustee shall sell and reduce to cash a sufficient amount of such investments in the respective funds, accounts and subaccounts whenever the cash balance in any Project Account is insufficient to pay a requisition when presented, whenever the cash balance in the Principal Account or Interest Account of the Certificate Fund is insufficient to pay the principal of or interest on the Certificates when due, or whenever the cash balance in any fund, account or subaccount is insufficient to satisfy the purposes of such fund, account or subaccount. In computing the amount in any fund, account or subaccount for any purpose hereunder, investments shall be valued at their Fair Market Value.

**Section 5.02 Tax Certification.** The Trustee certifies and covenants to and for the benefit of the Owners that so long as any of the Certificates remain Outstanding, moneys in any fund or account held by the Trustee under this Indenture, whether or not such moneys were derived from the proceeds of the sale of the Certificates or from any other source, will not be deposited or invested in a manner which will be a violation of Section 6.04 hereof.

## **ARTICLE VI CONCERNING THE TRUSTEE**

**Section 6.01 Certifications, Representations and Agreements.** The Trustee certifies, represents and agrees that:

(a) The Trustee (i) is a commercial bank and a national banking association that is duly organized, validly existing and in good standing under the laws of the United States, (ii) is duly qualified to do business in the State, (iii) is authorized, under its articles of association and bylaws and applicable law, to act as trustee under the Indenture, to own, lease and hold, in trust and as Trustee, the leased property under the Financed Asset Agreement pursuant to the Site Sublease and the Financed Asset Agreement and to execute, deliver and perform its obligations under the Financed Asset Agreement, the Indenture and the Site Sublease.

(b) The execution, delivery and performance of the Financed Asset Agreement, the Indenture and the Site Sublease and the ownership of the Financed Asset by the Trustee have been duly authorized by the Trustee.

(c) The Financed Asset Agreement, the Indenture and the Site Sublease have been duly executed and delivered by the Trustee and are valid and binding obligations enforceable against the Trustee in accordance with their respective terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

(d) The execution, delivery and performance of the Financed Asset Agreement, the Indenture the Site Sublease and the ownership of the Financed Asset by the Trustee does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitute a default under any of the foregoing, violate any Requirement of Law applicable to the Trustee, or, except as specifically provided in the Financed Asset Agreement, the Indenture, or the Site Sublease, result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the Trustee.

(e) There is no litigation or proceeding pending or threatened against the Trustee affecting the right of the Trustee to execute, deliver or perform its obligations under the Financed Asset Agreement, the Indenture, or the Site Sublease or to own the Financed Asset.

(f) The Trustee acknowledges and recognizes that the Financed Asset Agreement will be terminated upon the occurrence of an Event of Nonappropriation, and that a failure by the Colorado General Assembly to appropriate funds in a manner that results in an Event of Nonappropriation is solely within the discretion of the Colorado General Assembly.

**Section 6.02 Duties of the Trustee.** The Trustee hereby accepts the trusts imposed upon it by the Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default or Event of Nonappropriation and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically assigned to it in the Financed Asset Agreement and the Indenture. In case an Event of Default or Event of Nonappropriation has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by the Financed Asset Agreement and the Indenture, and use the degree of care as a reasonable and prudent person would exercise under the circumstances in the conduct of the affairs of another. Notwithstanding the foregoing, the Trustee shall in all events be liable for damages and injury resulting from its negligence or willful misconduct.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same retained in accordance with the standard of care set forth in subsection (a) of this Section, and shall be entitled to act upon an Opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such Opinion of Counsel.



(c) The Trustee shall not be responsible for any recital herein, in this Master Indenture or any Certificate, Supplemental Indenture, Financed Asset Agreement, or any offering document or other document related thereto, for collecting any insurance moneys, for the sufficiency of the security for the Certificates executed and delivered hereunder or intended to be secured hereby, or for the value of or title to the Financed Asset. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Certificates, except for information about the Trustee furnished by the Trustee, if any.

(d) The Trustee shall not be accountable for the use of any Certificates delivered to the Initial Purchaser thereof. The Trustee may become the Owner of Certificates with the same rights which it would have if not Trustee.

(e) The Trustee shall be protected in acting, without inquiry, upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate shall be conclusive and binding upon any Certificates executed and delivered in place thereof.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for actions that are in accordance with the standard of care set forth in subsection (a) of this Section.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default or Event of Nonappropriation under a Financed Asset Agreement, except failure by the State to cause to be made any of the payments to the Trustee required to be made under such Financed Asset Agreement, unless (i) an officer in the Trustee's Denver, Colorado corporate trust department has actual knowledge thereof or (ii) the Trustee has been notified in writing thereof by the State or by the Owners of at least 10% in aggregate principal amount of Certificates then Outstanding.

(h) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by the Indenture or law.

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything in the Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand in respect of the delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of the Indenture, any showings, certificates, opinions, appraisals or other information, or

corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee.

(k) Notwithstanding any other provision hereof, the Trustee shall not be required to advance any of its own funds in the performance of its obligations hereunder unless it has received assurances from the Owners of the Certificates or indemnity from the Owners of the Certificates satisfactory to it that it will be repaid.

(l) Notwithstanding any other provision hereof, the Trustee shall not be directly or indirectly obligated, in its individual capacity, to make any payment of principal, interest or premium in respect to the Certificates.

(m) Records of the deposits to, withdrawals from and investment earnings on moneys in the funds and accounts held by the Trustee hereunder shall be retained by the Trustee until six years after the later of the final payment of the related Series of Certificates.

(n) The Trustee shall deliver written reports to the State within 15 days after the end of each calendar month that include at least the following information: (i) the balance in each fund, account and subaccount created hereunder as of the first day and the last day of such calendar month; (ii) all moneys received by the Trustee during such calendar month, broken down by source, including but not limited to Base Rent, and earnings from the investment moneys held as part of any fund, account or subaccount created hereunder, and by the fund, account or subaccount into which such moneys are deposited; (iii) all disbursements from each fund, account and subaccount created hereunder during such calendar month; and (iv) all transfers to and from each fund, account and subaccount created hereunder during such calendar month.

(o) The Trustee shall notify the State within 10 days after any claim by any Owner or any other Person that any certification, representation or agreement of the Trustee set forth in Section 6.01 hereof is not accurate or complete or that the Trustee has failed to perform any of its duties or obligations under or has failed to comply with any provision of the Indenture, any Financed Asset Agreement or the Site Sublease .

### **Section 6.03 Maintenance of Existence; Performance of Obligations.**

(a) The Trustee shall at all times maintain its existence and will use its best efforts to maintain, preserve and renew all the rights and powers provided to it under its articles of association and bylaws, action of its board of directors and applicable law; provided, however, that this covenant shall not prevent the assumption, by operation of law or otherwise, by any Person of the rights and obligations of the Trustee under the Indenture, but only if and to the extent such assumption does not materially impair the rights of the Owners of any Outstanding Certificates or the State.

(b) The Trustee shall do and perform or cause to be done and performed all acts and things required to be done or performed in its capacity as Trustee under the provisions of the Indenture, the Financed Asset Agreement or the Site Sublease and any other instrument or other arrangement to which it is a party.



**Section 6.04 Tax Covenant.** The Trustee shall not take any action or omit to take any action with respect to the Certificates, the proceeds of the Certificates, the Trust Estate or any other funds or property that would result in an Adverse Tax Event. In furtherance of this covenant, the Trustee agrees, at the written direction of the State, to comply with the procedures set forth in the tax compliance certificate or similar certificate delivered by the State in connection with the execution and delivery of each Series of Certificates. The covenants set forth in this Section shall remain in full force and effect notwithstanding the payment in full or defeasance of the Certificates until the date on which all obligations of the Trustee in fulfilling such covenants have been met.

**Section 6.05 Sale or Encumbrance of Financed Asset .** As long as there are any Outstanding Certificates, and as except otherwise permitted by the Indenture and except as the Financed Asset Agreement otherwise specifically require, the Trustee shall not sell or otherwise dispose of any of the Financed Asset unless it determines that such sale or other disposal will not materially adversely affect the rights of the Owners.

**Section 6.06 Rights of Trustee under the Financed Asset Agreement and Site Sublease.** The Trustee hereby covenants for the benefit of the Owners that the Trustee will observe and comply with its obligations under the Financed Asset Agreement and the Site Sublease. Wherever in any Financed Asset Agreement or Site Sublease it is stated that the Trustee shall be notified or wherever any Financed Asset Agreement or Site Sublease gives the Trustee some right or privilege, such part of such Financed Asset Agreement or Site Sublease shall be as if it were set forth in full in this Master Indenture.

**Section 6.07 Defense of Trust Estate.** The Trustee shall at all times, to the extent permitted by law, defend, preserve and protect its interest in the Financed Asset and the other property or property rights included in the Trust Estate and all the rights of the Owners under this Indenture against all claims and demands of all Persons whomsoever.

**Section 6.08 Compensation of Trustee.** During the Financed Asset Agreement Term for the Financed Asset Agreement, the Trustee shall be entitled to compensation in the form of Additional Rent in accordance with such Financed Asset Agreement. In no event shall the Trustee be obligated to advance its own funds in order to take any action in its capacity as Trustee hereunder.

**Section 6.09 Resignation or Replacement of Trustee.**

(a) The present or any future Trustee may resign by giving written notice to the Owners of a majority in principal amount of the Certificates and the State not less than 60 days before such resignation is to take effect. Such resignation shall take effect only upon the appointment of a successor qualified as provided in subsection (d) of this Section; provided, however, that if no successor is appointed within 90 days following the date designated in the notice for the Trustee's resignation to take effect, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor.

(b) The present or any future Trustee may be removed at any time (i) by the State, for any reason upon delivery to the Trustee of an instrument signed by the State Representative seeking such removal, provided that the State shall not be entitled to remove

the Trustee pursuant to this clause if an Event of Default has occurred and is continuing or if any Event of Nonappropriation has occurred; (ii) if an Event of Default has occurred and is continuing or if an Event of Nonappropriation has occurred, by the Owners of a majority in principal amount of the Certificates Outstanding upon delivery to the Trustee of an instrument or concurrent instruments signed by such Owners or their attorneys in fact duly appointed; or (iii) by any Owner, upon delivery to the Trustee of an instrument signed by such Owner or his or her attorney in fact duly appointed following a determination by a court of competent jurisdiction that the Trustee is not duly performing its obligations hereunder or that such removal is in the best interests of the Owners.

(c) In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the State. The State, upon making such appointment, shall forthwith give notice thereof to each Owner, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. The Owners of a majority in principal amount of the Certificates Outstanding may thereupon act to appoint a successor trustee to such successor appointed by the State, by an instrument or concurrent instruments signed by such Owners, or their attorneys in fact duly appointed. Any successor so appointed by the State shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Owners of a majority in principal amount of the Certificates Outstanding.

(d) Every successor shall be a commercial bank with trust powers in good standing, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, qualified to act hereunder, having a capital and surplus of not less than \$50,000,000. Any successor trustee shall execute, acknowledge and deliver to the present or then trustee an instrument accepting appointment as successor trustee hereunder, lessor under the Financed Asset Agreement and sublessee under the Site Sublease, and thereupon such successor shall, without any further act, deed or conveyance, (i) become vested with all the previous rights, title and interest in and to, and shall become responsible for the previous obligations with respect to, the Financed Asset and the Trust Estate and (ii) become vested with the previous rights, title and interest in, to and under, and shall become responsible for the trustee's obligations under the Indenture, the Financed Asset Agreement and the Site Sublease, with like effect as if originally named as Trustee herein and therein. The previous trustee shall execute and deliver to the successor trustee (A) such transfer documents as are necessary to transfer the Trustee's interest in the Financed Asset to the successor trustee, (B) an instrument in which the previous trustee resigns as trustee hereunder, as lessor under the Financed Asset Agreement and as lessee under the Site Sublease and (C) at the request of the successor trustee, one or more instruments conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the previous trustee in the Financed Asset, the Trust Estate, the Indenture, the Financed Asset Agreement and the Site Sublease in a manner sufficient, in the reasonable judgment of the successor trustee, to duly assign, transfer and deliver to the successor all properties and moneys held by the previous trustee in accordance with the laws of the State. Should any other instrument in writing from the previous trustee be required by any successor for more fully and certainly vesting in and confirming to it the rights, title and

interest to be transferred pursuant to this Section, the previous trustee shall, at the reasonable discretion and at the request of the successor trustee, make, execute, acknowledge and deliver the same to or at the direction of the successor trustee.

(e) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section shall be filed and/or recorded by the successor trustee in each recording office, if any, where the Indenture, the Financed Asset Agreement and/or the Site Sublease shall have been filed and/or recorded.

**Section 6.10 Conversion, Consolidation or Merger of Trustee.** Any commercial bank with trust powers into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole or substantially as a whole shall be the successor of the Trustee under the Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto or thereto, anything herein or therein to the contrary notwithstanding. In case any of the Certificates shall have been executed, but not delivered, any successor Trustee may adopt the signature of any predecessor Trustee, and deliver the same as executed; and, in case any of such Certificates shall not have been executed, any successor Trustee may execute such Certificates in the name of such successor Trustee.

**Section 6.11 Intervention by Trustee.** In any judicial proceeding to which the State is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Owners, the Trustee may intervene on behalf of Owners and shall do so if requested in writing by the Owners of at least 10% in principal amount of Certificates Outstanding and provided indemnification in accordance with Section 6.02(k) hereof.

## ARTICLE VII DEFAULTS AND REMEDIES

**Section 7.01 Remedies of Trustee Upon the Occurrence of an Event of Default or Event of Nonappropriation.** Upon the occurrence of an Event of Default or Event of Nonappropriation under any Financed Asset Agreement:

(a) the Trustee shall use moneys in the Certificate Fund, the Capital Construction Fund and the State Expense Fund (but not the Rebate Fund and any defeasance escrow account) in accordance with Section 7.15(b) hereof;

(b) the Trustee may, and at the request of the Owners of a majority in principal amount of the Certificates then Outstanding shall, without any further demand or notice, exercise any of the remedies available to it under the Financed Asset Agreement (provided that the Trustee may require, as a condition to taking any action, assurances from the Owners of the Certificates limiting its liability, or an agreement with the Owners of the Certificates indemnifying it for liability, resulting from such action in a form reasonably satisfactory to it and customarily required by trustees of Colorado municipal bond issues enforcing remedies following a similar event under a similar instrument); and

(c) the Trustee may take any other action at law or in equity that may appear necessary or desirable to enforce the rights of the Owners.

**Section 7.02 Remedies of Trustee Upon Material Breach by the State of the Site Sublease .** Upon a material breach by the State of the Site Sublease , the Trustee may, and at the request of the Owners of a majority in principal amount of the Certificates then Outstanding shall, without further demand or notice, take any action at law or in equity that may appear necessary or desirable to enforce the rights of the Trustee and the Owners (provided that the Trustee may require, as a condition to taking any action, assurances from the Owners of the Certificates limiting its liability, or an agreement with the Owners of the Certificates indemnifying it for liability, resulting from such action in a form reasonably satisfactory to it and customarily required by trustees of Colorado municipal bond issues enforcing remedies following a breach of a similar instrument).

**Section 7.03 Failure to Perform by Trustee.** Any of the following shall constitute a Failure to Perform:

- (a) default in the payment of the principal of, premium, if any, and interest on any Certificate when due to the extent such failure is not directly caused by an Event of Default or an Event of Nonappropriation;
- (b) failure of the Trustee to enforce and diligently pursue any remedy available under Section 7.01 or 7.02 hereof; and
- (c) failure by the Trustee to comply with any other provision of the Indenture within 30 days after receiving notice of noncompliance (subject to any right to indemnification applicable to the Trustee's compliance with such provision of the Indenture).

**Section 7.04 Remedies of Owners Upon a Failure to Perform.** Subject to the other provisions of this Article, upon the occurrence of any Failure to Perform, the Owner of any Certificate may:

- (a) commence proceedings in any court of competent jurisdiction to enforce the provisions of this Indenture against the Trustee;
- (b) subject to Section 6.09 hereof, cause the Trustee to be removed and replaced by a successor trustee; and
- (c) subject to Section 7.05 hereof, take any other action at law or in equity that may appear necessary or desirable to enforce the rights of such Owner.

**Section 7.05 Limitations Upon Rights and Remedies of Owners.** No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Financed Asset Agreement or the Site Sublease unless (a) an Event of Default or Event of Nonappropriation or a breach by the State of a Site Sublease has occurred of which the Trustee has been notified as provided in Section 6.02(g) hereof, or of which by Section 6.02(g) hereof it is deemed to have notice, (b) the Owners of not less than a majority in principal amount of

Certificates then Outstanding shall have made written request to the Trustee to institute such suit, action or proceeding and shall have offered Trustee assurances from the Owners of the Certificates limiting its liability, or an agreement with the Owners of the Certificates indemnifying it for liability, resulting from such suit, action or proceeding in a form reasonably satisfactory to the Trustee and customarily required by trustees of Colorado municipal bond issues enforcing remedies under similar instruments; and (c) the Trustee has not, after reasonable opportunity, instituted such action, suit or proceedings in its own name.

**Section 7.06 Majority of Owners May Control Proceedings.** Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in principal amount of the Certificates then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the Trustee to act or refrain from acting or to direct the manner or timing of any action by the Trustee under the Indenture or any Financed Asset Agreement or Site Sublease or to control any proceeding relating to the Indenture or any Financed Asset Agreement or Site Sublease ; provided that such direction shall not be otherwise than in accordance with the provisions hereof.

**Section 7.07 Trustee to File Proofs of Claim in Receivership, Etc.** In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the State or the Financed Asset , the Trustee shall, to the extent permitted by law, be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings for the entire amount due and payable on the Certificates under this Indenture, 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, however, to the right of any Owner to file a claim in its own behalf.

**Section 7.08 Trustee May Enforce Remedies Without Certificates.** The Trustee may enforce its rights and remedies under the Financed Asset Agreement, the Site Sublease and the Indenture without the possession of any of the Certificates or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Certificates, and any recovery of judgment shall be for the ratable benefit of the Owners, subject to the provisions hereof.

**Section 7.09 No Remedy Exclusive.** No right or remedy available under this Article or otherwise 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 remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**Section 7.10 Waivers.** The Trustee may in its discretion waive any Event of Default, Event of Nonappropriation or breach by the State of the Site Sublease and its consequences, and, notwithstanding anything else to the contrary contained in this Indenture, shall do so upon the written request of the Owners of a majority in aggregate principal amount of all the Certificates then Outstanding; provided, however, that an Event of Nonappropriation shall not be waived without the consent of the Owners of 100% of the Certificates then Outstanding as to which the Event of Nonappropriation exists, unless prior to such waiver or rescission, all arrears of interest



and all arrears of payments of principal and premium, if any, then due, as the case may be (including interest on all overdue installments at the highest rate due on the Certificates), and all expenses of the Trustee in connection with such Event of Nonappropriation shall have been paid or provided for. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such Event of Default, Event of Nonappropriation or breach by the State of the Site Sublease shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Trustee and the Owners and the State shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, Event of Nonappropriation or breach by the State of the Site Sublease or impair any right consequent thereon.

**Section 7.11 Delay or Omission No Waiver.** No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default, Event of Nonappropriation, breach by the State of the Site Sublease or Failure to Perform shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, Event of Nonappropriation, breach by the State of the Site Sublease or Failure to Perform, or acquiescence therein; and every power and remedy given by the Indenture may be exercised from time to time and as often as may be deemed expedient.

**Section 7.12 No Waiver of Default or Breach to Affect Another.** No waiver of any Event of Default, Event of Nonappropriation, breach by the State of the Site Sublease or Failure to Perform by the Trustee shall extend to or affect any subsequent or any other then existing Event of Default, Event of Nonappropriation, breach by the State of the Site Sublease or Failure to Perform or shall impair any rights or remedies consequent thereon.

**Section 7.13 Position of Parties Restored Upon Discontinuance of Proceedings.** In case the Trustee or the Owners shall have proceeded to enforce any right under the Financed Asset Agreement, the Site Sublease or the Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Person or Persons enforcing the same, then and in every such case the State, the Trustee and the Owners shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Trustee and the Owners shall continue as if no such proceedings had been taken.

**Section 7.14 Purchase of Financed Asset by Owner; Application of Certificates Toward Purchase Price.** Upon the occurrence of an Event of Default or Event of Nonappropriation and the sale or Financed Asset Agreement of the Financed Asset by the Trustee pursuant to a Financed Asset Agreement (but subject to the State's purchase options set forth in the Financed Asset Agreement), any Owner may bid for and purchase or Financed Asset Agreement the Financed Asset ; and, upon compliance with the terms of sale or Financed Asset Agreement, may hold, retain and possess and dispose of such property in his, her, its or their own absolute right without further accountability; and any purchaser or lessee at any such sale may, if permitted by law, after allowing for payment of the costs and expenses of the sale, compensation and other charges, in paying purchase or rent money, turn in Certificates then Outstanding in lieu of cash. Upon the happening of any such sale or Financed Asset Agreement, the Trustee may take any further lawful action with respect to the Financed Asset which it shall deem to be in the best interest of the Owners, including but not limited to the enforcement of all rights and remedies set

forth in the Financed Asset Agreement and this Indenture and the taking of all other courses of action permitted herein or therein.

**Section 7.15 Use of Moneys Received from Exercise of Remedies.**

(a) Moneys received from the exercise of remedies pursuant to this Article shall be used as follows:

(i) Moneys in the Certificate Fund shall be used, first, to make payments to the Owners of the Certificates pursuant to subsection (b) of this Section.

(ii) Moneys in each Project Account shall be used, first, to pay Costs of the Project payable from such Project Account if and to the extent the Trustee determines that it is in the best interests of the Owners to do so.

(iii) Moneys in the State Expense Fund shall be used, first, to pay costs and expenses described in Section 3.03(c)(i)(A) hereof.

(iv) Moneys in the Certificate Fund, the Project Accounts and the State Expense Fund that are not used pursuant to paragraphs (i), (ii) or (iii) above, moneys in the Costs of Issuance Account of the Capital Construction Fund and all other moneys received from the exercise of remedies pursuant to this Article shall be used in the following order of priority:

(A) *First*, to pay Additional Rent due to third parties other than the Trustee and the State;

(B) *Second*, to pay the fees and expenses of the Trustee determined in accordance with Section 8.05 of the Financed Asset Agreement;

(C) *Third*, to make payments to the Owners in accordance with subsection (b) of this Section; and

(D) *Fourth*, the remainder shall be paid to the State.

(b) Moneys that are available to make payments to the Owners pursuant to subsection (a) of this Section shall be used as follows:

(i) *First*, to pay the unpaid interest, plus interest on past due interest, on the Certificates. If the amount available is not sufficient to pay all such interest, the amount available shall be used to pay interest (including interest on past due interest) in the order in which the interest was originally due, with interest payable on the earliest Interest Payment Dates (plus interest on such interest) paid first. If the amount available is not sufficient to pay all such interest with respect to a particular Interest Payment Date, the amount available shall be used to pay interest (including interest on past due interest) to the Owners in

proportion to the amount that would have been paid to them if the amount available had been sufficient.

(ii) *Second*, to pay the unpaid principal of the Certificates. If the amount available is not sufficient to pay all such principal, the amount available shall be used to pay unpaid principal in the order in which it was originally due, with principal due on the earliest principal payment dates paid first. If the amount available is not sufficient to pay all unpaid principal due on a particular principal payment date, the amount available shall be used to pay unpaid principal to the Owners in proportion to the amount of principal that would have been paid to them if the amount available had been sufficient. For purposes of this paragraph, the principal component of the redemption price of Certificates subject to mandatory sinking fund redemption shall be treated as principal.

(iii) *Third*, to pay an amount equal to the premium, if any, that would have been paid to Owners as a result of the exercise by the State of its options under the Financed Asset Agreement to purchase all the leased property subject to the Financed Asset Agreement if their Certificates had been redeemed prior to maturity on the date on which payments are made pursuant to this subsection. If the amount available is not sufficient to pay all such amounts, the amount available shall be paid to the Owners to which a premium would have been paid in proportion to the amount of premium that would have been paid to them if the amount available had been sufficient.

## ARTICLE VIII SUPPLEMENTAL INDENTURES

**Section 8.01 Supplemental Indentures Not Requiring Consent of Owners.** The Trustee may, with the written consent of the State but without the consent of, or notice to, the Owners, execute and deliver a Supplemental Indenture for any one or more or all of the following purposes:

- (a) to amend, modify or restate the Glossary attached hereto in any manner directed by the State in writing, provided that the State has certified in writing that, after such amendment, modification or restatement, the Glossary is accurate and that such amendment, modification or restatement does not materially modify the substantive provisions of the Indenture, the Financed Asset Agreement or the Site Sublease;
- (b) to add to the covenants and agreements of the Trustee contained in the Indenture other covenants and agreements to be thereafter observed by the Trustee;
- (c) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in the Indenture, or to make any provisions with respect to matters arising under the Indenture or for any other purpose if the State certifies in writing that such provisions are necessary or desirable;



(d) to add additional property to the Financed Asset Agreement, substitute or modify Financed Asset or to amend the description of the leased property in accordance with the Financed Asset Agreement;

(e) to subject to the Indenture additional revenues, properties or collateral;

(f) to set forth the terms and conditions and other matters in connection with the execution and delivery of any Series of Certificates;

(g) to effect or facilitate any change to avoid an Adverse Tax Event including, but not limited to, a change to conform to any guidance or regulations promulgated by the United States Internal Revenue Service or the United States Treasury Department that relate to the treatment for federal income tax purposes of any Outstanding or proposed Certificates;

(h) to effect any other change that, in the reasonable judgment of the State (which may be exercised in reliance upon certifications or advice provided by investment bankers or others with experience in the municipal bond industry), does not materially adversely affect the rights of the Owners; or

(i) to modify any Certificate to conform to any Supplemental Indenture or to any amendment to the Master Indenture, any Supplemental Indenture, any Financed Asset Agreement or the Site Sublease.

#### **Section 8.02 Supplemental Indentures Requiring Consent of Owners.**

(a) Exclusive of Supplemental Indentures under Section 8.01 hereof, the written consent of the State and the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding shall be required for the execution and delivery by the Trustee of any Supplemental Indenture; provided, however, that without the consent of the Owners of all the Certificates Outstanding nothing herein contained shall permit, or be construed as permitting:

(i) a change in the terms of redemption or maturity of the principal amount of or the interest on any Outstanding Certificate, or a reduction in the principal amount of or premium payable upon any redemption of any Outstanding Certificate or the rate of interest thereon;

(ii) the deprivation as to the Owner of any Certificate Outstanding of the lien created by the Indenture (other than as originally permitted hereby);

(iii) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, except as permitted herein; or

(iv) a reduction in the percentage of the aggregate principal amount of the Certificates required for consent to any Supplemental Indenture.

(b) If at any time the Trustee shall propose to execute and deliver any Supplemental Indenture for any of the purposes of this Section, the Trustee shall cause notice of the proposed execution and delivery of such Supplemental Indenture to be mailed to the Owners of the Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Denver, Colorado corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the Trustee following the mailing of such notice, the Owners of not less than a majority, or, with respect to the matters specified in paragraphs (i) through (iv) of subsection (a) of this Section, 100%, in aggregate principal amount of the Certificates Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

**Section 8.03 Execution of Supplemental Indenture.** Any Supplemental Indenture executed and delivered in accordance with the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such Supplemental Indenture shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of the Certificates executed and delivered thereafter, if any, if deemed necessary or desirable by the Trustee. As a condition to executing any Supplemental Indenture, the Trustee shall be entitled to receive and rely upon a written opinion of Bond Counsel to the effect that the execution thereof is authorized or permitted under this Indenture and the Act and will not cause an Adverse Tax Event.

**Section 8.04 Amendments of Financed Asset Agreement or Site Sublease Not Requiring Consent of Owners.** The Trustee shall, at the direction of the State without the consent of or notice to the Owners, amend, change or modify any Financed Asset Agreement or Site Sublease, as the State determines is required:

- (a) by the provisions of the Financed Asset Agreement, the Indenture or the Site Sublease;
- (b) for the purpose of curing any ambiguity or formal defect or omission in the Financed Asset Agreement, the Indenture or the Site Sublease;
- (c) in order more precisely to identify the Financed Asset; or
- (d) to add additional Financed Assets to the Financed Asset Agreement, substitute or modify Financed Asset or to amend the description of Financed Asset in accordance with the Financed Asset Agreement or the Site Sublease;
- (e) in connection with the execution and delivery of any Series of Certificates;
- (f) in connection with the redemption of any Certificates;
- (g) in connection with any Supplemental Indenture permitted by this Article;

(h) to effect any change in any Financed Asset Agreement or Site Sublease for any purpose for which a Supplemental Indenture may be executed and delivered pursuant to Section 8.01 hereof;

(i) to effect any change that (i) does not reduce the revenues available to the Trustee from the Financed Asset Agreement below the amount required to make all the payments and transfers required by Article III hereof, (ii) does not reduce the Fair Market Value of the Financed Asset and (iii) does not cause an Adverse Tax Event;

(j) to effect any other change in any Financed Asset Agreement or Site Sublease that, in the reasonable judgment of the State (which may be exercised in reliance upon certifications or advice provided by investment bankers or others with experience in the municipal bond industry), does not materially adversely affect the rights of the Owners.

**Section 8.05 Amendments of Financed Asset Agreement or Site Sublease Requiring Consent of Owners.** Except for the amendments, changes or modifications permitted by Section 8.04 hereof, the Trustee shall not consent to any other amendment, change or modification of any Financed Asset Agreement or Site Sublease without notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding given and procured as provided in Section 8.02 hereof. If at any time the State shall request the consent of the Trustee to any such proposed amendment, change or modification of any Financed Asset Agreement or Site Sublease, the Trustee shall, upon receipt of amounts necessary to pay expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 8.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the office of the Trustee designated therein for inspection by all Owners.

**Section 8.06 Execution of Amendment of Financed Asset Agreement or Site Sublease .** As a condition to executing any amendment to any Financed Asset Agreement or Site Sublease , the Trustee shall be entitled to receive and rely upon a written opinion of Bond Counsel to the effect that the execution thereof is authorized or permitted under the Indenture and the Financed Asset Agreement or Site Sublease , as applicable, and will not cause an Adverse Tax Event.

## ARTICLE IX MISCELLANEOUS

### **Section 9.01 Discharge of Indenture.**

(a) If, when the Certificates secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this Indenture, the whole amount of the principal of, premium, if any, and interest due and payable upon all of the Certificates shall be paid, or provision shall have been made for the payment of the same, together with all rebate payments due to the United States of America, the fees and expenses of the Trustee and all other amounts payable hereunder, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of

the Trustee to the Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall transfer and convey to (or to the order of) the State all property then held in trust by the Trustee pursuant to this Indenture, and the Trustee shall execute such documents as may be reasonably required by the State and shall turn over to (or to the order of) the State any surplus in any fund, account or subaccount created under this Indenture, except any escrow accounts theretofore established pursuant to this Section.

(b) All or any portion of the Outstanding Certificates shall prior to the maturity or redemption date thereof be deemed to have been paid (“defeased”) within the meaning and with the effect expressed in subsection (a) of this Section if (i) in case such Certificates are to be redeemed on any date prior to their maturity, the Trustee shall have given notice of redemption of such Certificates on said redemption date, such notice to be given on a date and otherwise in accordance with the provisions of Article IV hereof, and (ii) there shall have been deposited in trust either moneys in an amount which shall be sufficient, or Defeasance Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer of such Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held in trust at the same time, shall be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on said Certificates on and prior to the redemption date or maturity date thereof, as the case may be. Neither the Defeasance Securities nor moneys deposited in trust pursuant to this Section or principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on said Certificates; provided any cash received from such principal or interest payments on such Defeasance Securities deposited in trust, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities of the type described in clause (ii) of this subsection maturing at the times and in amounts sufficient to pay when due the principal of, premium, if any, and interest to become due on said Certificates on or prior to such redemption date or maturity date thereof, as the case may be. At such time as any Certificates shall be deemed paid as aforesaid, such Certificates shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of exchange and transfer and any payment from such moneys or Defeasance Securities deposited in trust.

(c) Prior to any discharge of this Indenture pursuant to this Section or the defeasance of any Certificates pursuant to this Section becoming effective, there shall have been delivered to the Trustee (i) a verification report from a certified public accountant verifying the deposit described in subsection (b)(ii) of this Section; and (ii) an opinion of Bond Counsel, addressed to the Trustee, to the effect that all requirements of the Indenture for such defeasance have been complied with and that such discharge or defeasance will not cause an Adverse Tax Event.

(d) In the event that there is a defeasance of only part of the Certificates of any maturity, the Trustee, at the expense of the State, may institute a system to preserve the identity of the individual Certificates or portions thereof so defeased, regardless of changes in Certificate numbers attributable to transfers and exchanges of Certificates.

**Section 9.02 Further Assurances and Corrective Instruments.** So long as the Indenture is in full force and effect, the Trustee shall have full power to carry out the acts and agreements provided to the Indenture and will from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements to the Indenture and such further instruments as may reasonably be requested by the State for correcting any inadequate or incorrect description of the Trust Estate, or for otherwise carrying out the intention of or facilitating the performance of the Indenture.

**Section 9.03 Financial Obligations of Trustee Limited to Trust Estate.** Notwithstanding any other provision hereof, all financial obligations of the Trustee under the Indenture, except those resulting from a violation of the standard of care set forth in Section 6.02(a) hereof shall be payable solely from the Trust Estate.

**Section 9.04 Evidence of Signature of Owners and Ownership of Certificates.**

(a) Any request, consent or other instrument which the Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing, proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Certificates shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(i) the fact and date of the execution by any Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public; and

(ii) the fact of the ownership by any person of Certificates and the amounts and numbers of such Certificates, and the date of the ownership of the same, may be proved by the registration records of the Trustee.

(b) Any request or consent of the Owner of any Certificate shall bind all transferees of such Certificate in respect of anything done or suffered to be done by the Trustee or the Trustee in accordance therewith.

**Section 9.05 Parties Interested Herein.** Nothing in the Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the Trustee, the Owners of the Certificates and the State, any right, remedy or claim under or by reason of the Indenture or any covenant, condition or stipulation of the Indenture; and all the covenants, stipulations, promises and agreements in the Indenture contained by and on behalf of the Trustee shall be for the sole and exclusive benefit of the Owners, the State, the Trustee and their respective successors and assigns.

**Section 9.06 Trustee Representative.** Whenever under the provisions of the Indenture the approval of the Trustee is required or the Trustee is required to take some action at the request of the State or the Owners, unless otherwise provided, such approval or such request shall be given for the Trustee by the Trustee Representative, and the State and the Owners shall be authorized to act on any such approval or request.

**Section 9.07 Titles, Headings, Etc.** The titles and headings of the articles, sections and subdivisions of the Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

**Section 9.08 Interpretation and Construction.** This Master Indenture and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Master Indenture. For purposes of this Master Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this Master Indenture to designated “Articles,” “Sections,” “subsections,” “paragraphs,” “clauses” and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses and other subdivisions of this Master Indenture. The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder” and other words of similar import refer to this Master Indenture as a whole and not to any particular Article, Section or other subdivision.

(b) The terms defined in the Glossary have the meanings assigned to them in the Glossary and include the plural as well as the singular.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time.

(d) The term “money” includes any cash, check, deposit, investment security or other form in which any of the foregoing are held hereunder.

(e) In the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and each of the words “to” and “until” means “to but excluding.”

**Section 9.09 Manner of Giving Notices.** All notices, certificates or other communications under the Indenture shall be in writing and shall be deemed given when mailed by first class United States mail, postage prepaid, or when sent by facsimile transmission or electronic mail, addressed as follows: if to the State, to Colorado State Treasurer, 140 State Capitol, Denver, CO 80203, Attention: COO/CFO, facsimile number: 303-866-2123, electronic mail address: Charles.scheibe@state.co.us, with a copy to Colorado State Controller, 633 Seventeenth Street, Suite 1500, Denver, Colorado 80203, Attention: Robert Jaros, facsimile number: 303-866-4233, electronic mail address: [bob.jaros@state.co.us](mailto:bob.jaros@state.co.us); if to **[names and info for the 4 higher ed institutions to be added]**; and if to the Trustee, to U.S. Bank Trust Company, National Association, \_\_\_\_\_ Seventeenth Street, Suite \_\_\_\_\_, Denver, Colorado 80202, Attention: \_\_\_\_\_, facsimile number: \_\_\_\_\_, electronic mail address: \_\_\_\_\_



\_\_\_\_\_. Any notice party may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**Section 9.10 No Individual Liability.** All covenants, stipulations, promises, agreements and obligations of the Trustee, as the case may be, contained in the Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Trustee and not of any member, director, officer, employee, servant or other agent of the Trustee in his or her individual capacity. No recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the Trustee or any natural person executing the Indenture or any related document or instrument; provided, however, that such person is acting within the scope of his or her employment, membership, directorship or agency, as applicable, and not in a manner that constitutes gross negligence or willful misconduct.

**Section 9.11 Events Occurring on Days that are not Business Days.** If the date for making any payment or the last day for performance of any act or the exercising of any right under the Indenture is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in the Indenture.

**Section 9.12 Legal Description of Land Included in Financed Asset .** The legal description of the land included in the Financed Asset subject to the Financed Asset Agreement is set forth in Appendix B to the Series 2024A Supplemental Indenture. As additional property is financed pursuant to a Financed Asset Agreement other than the Financed Asset Agreement, legal descriptions of the land included in such additional Financed Asset will be set forth in such Financed Asset Agreement and in the Supplemental Indenture with the same Series designation as such Financed Asset Agreement. If the land included in the Financed Asset subject to a Financed Asset Agreement is modified pursuant to the terms of such Financed Asset Agreement or other land is substituted for land included in Financed Asset subject to any Financed Asset Agreement pursuant to the terms of such Financed Asset Agreement, the legal descriptions set forth in the applicable Supplemental Indenture will be amended to describe the land included in such Financed Asset after such modification or substitution.

**Section 9.13 Severability.** In the event that any provision of the Indenture, other than the placing of the Trust Estate in trust, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 9.14 Applicable Law.** The laws of the State and rules and regulations issued pursuant thereto, as the same may be amended from time to time, shall be applied in the interpretation, execution and enforcement of the Indenture. Any provision of the Indenture, whether or not incorporated in the Indenture by reference, which provides for arbitration by an extra judicial body or person or which is otherwise in conflict with said laws, rules and regulations shall be considered null and void. Nothing contained in any provision hereof or incorporated in the Indenture by reference which purports to negate this Section in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense or otherwise. Any provision rendered null and void by the operation of this Section will not invalidate the

remainder of the Indenture to the extent that the Indenture is capable of execution. At all times during the performance of the Indenture, the Trustee shall strictly adhere to all applicable federal and State laws, rules and regulations that have been or may hereafter be established.

**Section 9.15 Execution in Counterparts.** This Master Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.



**DRAFT AND SUBJECT TO CHANGE**

IN WITNESS WHEREOF, the Trustee has executed this Master Indenture as of the date first above written.

U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Signatory

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024, by \_\_\_\_\_ as an authorized signatory of U.S. Bank Trust Company, National Association.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[SEAL]

Notary Public

My commission expires:

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## APPENDIX A

### GLOSSARY

“*Act*” means Section 24-36-124, C.R.S., as it may be amended from time to time.

“*Additional Rent*” means (a) when used with respect to amounts payable by the State pursuant to the Financed Asset Agreement, the costs and expenses incurred by the State in performing its obligations under the Financed Asset Agreement other than its obligations with respect to Base Rent and the State’s Purchase Option Price; and (b) when used with respect to amounts payable by the State pursuant to any other Financed Asset Agreement, similar costs and expenses.

“*Adverse Tax Event*” means an event that would cause interest on any of the Certificates to be included in gross income for federal income tax purposes or to be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (except, with respect to corporations, as such interest is required to be taken into account in determining “adjusted current earnings” for the purpose of computing the alternative minimum tax imposed on such corporations).

“*Amortizing Principal*” means the payments of Base Rent by the State pursuant to a Financed Asset Agreement that are designated and paid as Amortizing Principal under such Financed Asset Agreement.

“*Authorized Denominations*” means, with respect to any Series of Certificates, the denominations specified in the Supplemental Indenture authorizing such Series of Certificates.

“*Base Rent*” means the amounts designated and paid as Base Rent under a Financed Asset Agreement.

“*Base Rent Payment Date*” means, one of the dates in the “Base Rent Payment Date” column in the Exhibit to such Financed Asset Agreement that includes the schedule for payment of Base Rent payable pursuant to such Financed Asset Agreement.

“*Bond Counsel*” means (a) as of the date of execution and delivery of the Series 2024A Certificates, Greenberg Traurig, LLP, and (b) as of any other date, Greenberg Traurig, LLP or such other attorneys selected by the State with nationally recognized expertise in the issuance of municipal securities.

“*Business Day*” means any day other than a Saturday, a Sunday or a day on which banks in New York, New York or Denver, Colorado are authorized by law to remain closed.

“*Capital Construction Fund*” means the special fund created by Section 3.02 of the Master Indenture.

“*Certificate Fund*” means the special fund created by Section 3.01 of the Master Indenture.

“*Certificates*” means all the certificates executed and delivered pursuant to the Master

Indenture.

“*Code*” means the Internal Revenue Code of 1986, as amended, and regulations thereunder.

“*Costs of Issuance*” means costs incurred in connection with the preparation, negotiation, execution and delivery of the Site Sublease, Financed Asset Agreement, the Indenture, the Certificates or any other document related thereto and due diligence, title and other nonconstruction costs incurred with respect to the Financed Asset and the Projects prior to the last Completion Date for a Project that is financed with the proceeds of such Certificates, including, but not limited to, any fees and expenses of the Trustee, any fees and expenses of any underwriter or financial advisor that provides services in connection with the execution and delivery of any Certificates, costs of environmental assessments or reports and title insurance, legal fees and expenses, costs incurred in obtaining ratings from rating agencies, Certificate insurance premiums, costs of immediately available funds, costs of publication, printing and engraving, accountants’ fees and recording and filing fees.

“*Costs of Issuance Account*” means the account of the Capital Construction Fund created by and designated as such in Section 3.02(a) of the Master Indenture.

“*C.R.S.*” means Colorado Revised Statutes, as amended.

“*CSU*” means Colorado State University.

“*CSU Building Project*” means a new veterinary health education complex with educational, clinical, and research capacity, containing approximately \_\_\_\_\_ square feet of space.

“*CSU Project Subaccount*” means the “Series 2024A CSU Building Project Subaccount” of the Project Account.

“*CSU Representative*” means \_\_\_\_\_.

“*Defeasance Securities*” means Permitted Investments which are:

- (a) cash;
- (b) U.S. Treasury Certificates, Notes and Bonds, including State and Local Government Series (“SLGs”);
- (c) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, including CATS, TIGRS and similar securities;
- (d) Resolution Funding Corp. (REFCORP): only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form;
- (e) pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P; provided that if the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S.

guaranteed obligations, or AAA-rated pre-refunded municipal bonds;

(f) the following obligations issued by the following agencies which are backed by the full faith and credit of the United States are pledged for the payment of principal and interest:

- (i) U.S. Export-Import Bank (Eximbank) direct obligations or fully guaranteed certificates of beneficial ownership;
- (ii) Farmers Home Administration (FmHA) certificates of beneficial ownership;
- (iii) Federal Financing Bank;
- (iv) General Services Administration participation certificates;
- (v) U.S. Maritime Administration Guaranteed Title XI financing;
- (vi) U.S. Department of Housing and Urban Development (HUD):
  - (A) Project Notes;
  - (B) Local Authority Bonds;
  - (C) New Communities Debentures—U.S. government guaranteed debentures; and
  - (D) U.S. Public Housing Notes and Bonds—U.S. government guaranteed public housing notes and bonds.

*“Event of Default”* means (a) when the term is used in the Financed Asset Agreement or is used to refer to an event occurring under the Financed Asset Agreement, an event described in Section 10.01 of the Financed Asset Agreement; (b) when the term is used in the Site Sublease with respect to Financed Asset subject to the Financed Asset Agreement or is used to refer to an event occurring under such Site Sublease, an event described in Section 10.01 of such Site Sublease; (c) when the term is used in any other Financed Asset Agreement, Site Sublease or is used to refer to an event occurring under any other Financed Asset Agreement or the Site Sublease, any event similar to an event described in clause (a) or (b) of this definition; and (d) when the term is used in the Indenture, an Event of Default under the Financed Asset Agreement or any other Financed Asset Agreement.

*“Event of Nonappropriation”* means (a) when the term is used in the Financed Asset Agreement or is used to refer to an event occurring under the Financed Asset Agreement, an event described in Section 4.04(b) of the Financed Asset Agreement; (b) when the term is used in any other Financed Asset Agreement or is used to refer to an event occurring under any other Financed Asset Agreement, any similar event; and (c) when the term is used in the Indenture, an Event of Nonappropriation under the Financed Asset Agreement or any other Financed Asset Agreement.

“*Failure to Perform*” is defined in Section 7.03 of the Master Indenture.

“*Fair Market Value*” means:

- (a) the value of the land included in the Financed Asset as estimated by the State in the Site Sublease pursuant to which such property is leased to the Trustee, *plus* the replacement value of such property determined by an insurer providing casualty and property damage for such property;
- (b) with respect to other property, the price at which a willing seller would sell and a willing buyer would buy property in an arm’s length transaction; and
- (c) if Fair Market Value is being determined for a portion of the property for which a value is determined pursuant to clauses (a) and/or (b), the State’s determination as to the amount of the value determined pursuant to clauses (a) and/or (b) that is allocable to the portion of the property for which Fair Market Value is being determined shall be conclusive and binding on all Persons.

“*Financed Asset* ” means (a) when the term is used in a particular Financed Asset Agreement or to refer to property leased pursuant to a particular Financed Asset Agreement, the Land and the buildings, structures and improvements now or hereafter located on such Land (including any fee interest, leasehold estate or other interest therein) that are financed by the Trustee to the State pursuant to such Financed Asset Agreement, subject to the terms of such Financed Asset Agreement relating to modifications and substitutions of Financed Asset ; (b) when the term is used in a particular Site Sublease, the Land and the buildings, structures and improvements located on such Land (including any fee interest, leasehold estate or other interest therein) that are leased by the State to the Trustee pursuant to such Site Sublease; (c) when the term is used together with a possessive reference to a particular Site, the Land and the buildings, structures and improvements now or hereafter located on such Land (including any fee interest, leasehold estate or other interest therein) leased by the State under the Site Sublease; and (d) when the term is used in other contexts, all the property (including any fee interest, leasehold estate or other interest therein and the Land and the building, structures and improvements now or hereafter located on such Land) leased to the State pursuant to the Financed Asset Agreement, subject to the terms of the Financed Asset Agreement relating to modifications and substitutions of Financed Asset Property.

“*Financed Asset Agreement*” means the State of Colorado Higher Education Health Sciences Facilities Series 2024 Financed Purchase of an Asset Agreement dated as of \_\_\_\_\_, 2024 by and between the State and the Trustee, and any other financed purchase of an asset agreement entered into by the State pursuant to the Act and in connection with a Supplemental Indenture, revenues from which are to be used to pay principal of, premium, if any, and interest on Certificates.

“*Financed Asset Agreement Revenues*” means, (a) with respect to the Financed Asset Agreement (i) the Base Rent; (ii) the State’s Purchase Option Price, if paid (including any Net Proceeds applied to the payment of the State’s Purchase Option Price pursuant to a Financed Asset Agreement); (iii) earnings on moneys on deposit in the Certificate Fund, the Capital Construction

Fund and the State Expense Fund (but not the Rebate Fund or any defeasance escrow account); and (iv) any other moneys to which the Trustee may be entitled for the benefit of the Owners; and (b) with respect to any other Financed Asset Agreement, similar amounts with respect thereto.

“*Financed Asset Agreement Term*” means the period of time during which the Financed Asset Agreement is in force and effect, as set forth in Section 3.01 of the Financed Asset Agreement and any similar provision of any other Financed Asset Agreement.

“*Fiscal Year*” means the State’s fiscal year, which begins on July 1 of each year and ends on June 30 of the following year.

“*Force Majeure*” means any event that is not within the control of the State, including, without limitation, acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; or breakage or accidents affecting machinery, transmission pipes or canals.

“*General Assembly*” means the State of Colorado General Assembly.

“*Glossary*” means this Glossary as it may be amended, supplemented or restated from time to time.

“*Higher Education Institutions*” means collectively, the University of Northern Colorado, Metropolitan State University, Colorado State University and Trinidad State College.

“*Indenture*” means the Master Indenture and all Supplemental Indentures, collectively.

“*Initial Purchaser*” means the Person who initially purchases a Series of Certificates pursuant to a certificate purchase agreement or otherwise.

“*Initial Term*” means, with respect to the Financed Asset Agreement, the period commencing on the date the Financed Asset Agreement is executed and delivered (unless a different commencement date is specifically set forth in such Financed Asset Agreement) and ending on the following June 30.

“*Interest Account*” means the special account of the Certificate Fund established and designated as such by Section 3.01 of the Master Indenture.

“*Interest Payment Date*” means, with respect to the Series 2024A Certificates, unless this definition is amended at or prior to the execution and delivery of such other Certificates, **[May 1]** and **[November 1]**, commencing **[November 1, 2024]**.

“*Land*” means (a) with respect to the land included in the Financed Assets subject to the Financed Asset Agreement, the land described in exhibits to the Site Subleases, the Site Sublease and the Financed Asset Agreement, subject to the terms of the 2024A Site Sublease and the Financed Asset Agreement relating to modifications and substitutions of Financed Asset ; and (b) with respect to the land included in the Financed Assets subject to any other Financed Asset

Agreement or Site Sublease, the land described in the such Financed Asset Agreement or Site Sublease on the date such Financed Asset Agreement or Site Sublease is executed and delivered, subject to the terms of such Financed Asset Agreement or Site Sublease relating to modifications and substitutions of a Financed Asset

“*Master Indenture*” means the State of Colorado Higher Education Health Sciences Facilities Master Trust Indenture dated as of \_\_\_\_\_ 1, 2024 by the Trustee, as it may be supplemented and amended from time-to-time by a Supplemental Indenture or otherwise.

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

“*MSU*” means the Metropolitan State University, Denver campus.

“*MSU Building Project*” means the new Health Institute Tower containing approximately \_\_\_ square feet of space which will provide teaching of critical health care areas such as mental and behavioral health, nursing, social work and speech, language and hearing sciences

“*MSU Project Subaccount*” means the “Series 2024A MSU Building Project Subaccount” within the Project Account.

“*MSU Representative*” means \_\_\_\_\_.

“*Net Proceeds*” means the gross proceeds received from any insurance, performance bond, condemnation award or contract or any source as a consequence of a Property Damage, Defect or Title Event minus any expenses incurred in connection with the collection of such gross proceeds.

“*Opinion of Counsel*” means a written opinion of legal counsel, who may be counsel to the Trustee.

“*Outstanding*” means all Certificates which have been executed and delivered, except:

- (a) Certificates canceled or which shall have been surrendered to the Trustee for cancellation;
- (b) Certificates in lieu of which other Certificates have been executed under Section 2.05 or 2.06 of the Master Indenture;
- (c) Certificates which have been redeemed as provided in Article IV of the Master Indenture (including Certificates redeemed on payment of an amount less than the outstanding principal thereof and accrued interest thereon to the redemption date);
- (d) Certificates which are due and for which the Trustee holds funds for the benefit of the Owner thereof pursuant to Section 3.05 of the Master Indenture;
- (e) Certificates which are otherwise deemed discharged pursuant to Section 9.01 of the Master Indenture; and
- (f) Certificates held by the State.



“*Owner*” of a Certificate means the registered owner of such Certificate as shown in the registration records of the Trustee.

“*Permitted Encumbrances*” means, as of any particular time, (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pursuant to Section 6.02(b) of the Financed Asset Agreement or any similar provision of any other Financed Asset Agreement; (b) the Financed Asset Agreement, the Indenture, and the Site Sublease; (c) easements, licenses, rights-of-way, rights and privileges, reversion clause, use or other restrictions and exceptions which a State Representative certifies will not materially adversely affect the value, or interfere with or impair the effective use or operation, of the Financed Asset, including easements granted pursuant to Section 6.03 of the Financed Asset Agreement or any similar provision of any other Financed Asset Agreement; (d) any financing statements filed with respect to the Trustee’s interest in the Financed Asset, the Financed Asset Agreement, or the Site Sublease; (e) any encumbrance represented by financing statements filed to perfect purchase money security interests in any portion of or all of the Financed Asset; (f) any claim filed pursuant to C.R.S. § 38-26-107; (g) any applicable zoning requirements; and (h) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Financed Asset and as do not materially impair title to the Financed Asset.

“*Permitted Investments*” means any investment which is a lawful investment permitted for the investment of funds of the State by the laws of the State under C.R.S. § 24-75-601.1 or any successor thereto.

“*Person*” means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

“*Principal Account*” means the special account of the Certificate Fund established and designated as such by Section 3.01 of the Master Indenture.

“*Project Account*” means an account of the Capital Construction Fund, with the moneys on deposit therein to be used to fund the costs of construction of the Projects.

“*Projects*” means, collectively (i) the UNC Building Project, (ii) the MSU Building Project (iii) the CSU Building Project, and (iv) the TSC Building Project.

“*Property Damage, Defect or Title Event*” means one of the following events: (a) any portion of the Financed Asset is destroyed or damaged by fire or other casualty, (b) title to, or the temporary or permanent use of, any portion of the Financed Asset or the estate of the State or the Trustee in any portion of the Financed Asset, is taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, (c) a breach of warranty or any material defect with respect to any portion of the Financed Asset becomes apparent or (d) title to or the use of any portion of the Financed Asset is lost by reason of a defect in the title thereto.

“*Purchase Option Account*” means the special account of the Certificate Fund established and designated as such by Section 3.01 of the Master Indenture.



“*Rating Agency*” means S&P, but only if S&P then maintains a rating on any Outstanding Certificates at the request of the State, and Moody’s, but only if Moody’s then maintains a rating on any Outstanding Certificates at the request of the State.

“*Rebate Fund*” means the special fund created by Section 3.04 of the Master Indenture.

“*Record Date*” means, (a) with respect to each Interest Payment Date that occurs on the first day of a calendar month, the fifteenth day of the immediately preceding calendar month (whether or not a Business Day); and (b) with respect to each Interest Payment Date that occurs a day other than the first day of a calendar month, the first day of the month (whether or not a Business Day) in which the Interest Payment Date occurs.

“*Renewal Term*” means, with respect to the Financed Asset Agreement, each twelve-month period, commencing on July 1 of each year and ending on June 30 of such year, for which the State renews a Financed Asset Agreement Term after the Initial Term of such Financed Asset Agreement.

“*Rent*” means Base Rent and Additional Rent, collectively.

“*Requirement of Law*” means any federal, state or local statute, indenture, rule or regulation, any judicial or administrative order (including any such consent order), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to zoning, environmental, health or safety matters.

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

“*Scheduled Financed Asset Agreement Term*” means the period that begins on the first day of the Initial Term of a Financed Asset Agreement and ends on (a) in the case of the Financed Asset Agreement, the date described in Section 3.01(b)(i) of the Financed Asset Agreement and (b) in the case of any other Financed Asset Agreement, the date described in any similar provisions of that Financed Asset Agreement.

“*Scheduled Site Sublease Term*” means the period that begins on the first day of the Site Sublease Term of the Site Sublease and ends on (a) in the case of the Site Sublease pursuant to which a Financed Asset is leased to the Trustee and leased back and financed by the State pursuant to the Financed Asset Agreement, the date described in Section 3.01(a)(i) of such Site Sublease and (b) in the case of any other Site Sublease, the date described in any similar provision of that Site Sublease.

“*Series*” means, (a) when used to refer to any series of Certificates, a series of Certificates authorized by and named in a Supplemental Indenture; and (b) when used to refer to a Financed Asset Agreement, Sinking Fund Account or any other term with a series designation, the Financed Asset Agreement, Sinking Fund Account or other term identified by a series designation. If the name of more than one Series of Certificates or Sinking Fund Accounts includes the same year and letter, (i) the letter in the Series name for such Series of Certificates or Sinking Fund Account shall be followed by a dash and a number in order to distinguish it from other Series of Certificates

or Sinking Fund Accounts with the same year and letter in its name; (ii) references to Certificates by a year and letter shall include all Series of Certificates the name of which includes the same year and letter; and (iii) references to the Financed Asset Agreement “with the same Series designation” as a Series of Certificates or Sinking Fund Account shall mean the Financed Asset Agreement the name of which includes the same year and letter as such Series of Certificates or Sinking Fund Account.

“*Series 2024A Certificates*” means the Series of Certificates authorized by the Series 2024A Supplemental Indenture.

“*Series 2024A Sinking Fund Account*” means the Sinking Fund Account created for the payment of the Series 2024A Certificates by Section 3.01 of the Master Indenture.

“*Series 2024A Sinking Fund Principal*” means the payments of Base Rent by the State pursuant to the Financed Asset Agreement that are designated and paid as Series 2024A Sinking Fund Principal under the Financed Asset Agreement.

“*Series 2024A Supplemental Indenture*” means the State of Colorado Higher Education Health Sciences Facilities Series 2024A Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, 2024 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Sinking Fund Account*” means one of the special accounts of the Certificate Fund established and designated as such by Section 3.01 of the Master Indenture. The name of each Sinking Fund Account shall include the same Series designation as the Series of Certificates for which it is established.

“*Sinking Fund Principal*” means the payments of Base Rent by the State that are designated in the Financed Asset Agreement as [Series year, letter and number] Sinking Fund Principal under such Financed Asset Agreement.

“*Site Subleases*” means collectively, the Site Subleases each dated \_\_\_\_, 2024 from each of the four Higher Education Institutions to the State pursuant to which the property on which the Financed Assets are to be located and the Financed Assets are leased to the State, as amended or supplemented from time-to-time.

“*Site Sublease Term*” means the period of time during which the Site Sublease is in force and effect as set forth in Section 3.01 of each of the Site Subleases with respect to the Financed Assets that are subject to the Financed Asset Agreement and any similar provision of any other Site Sublease.

“*Special Record Date*” means a special date fixed to determine the names and addresses of Owners of Certificates for purposes of paying defaulted interest in accordance with Section 2.02 of the Master Indenture.

“*Site Sublease*” means the Site Sublease dated \_\_\_\_\_, 2024 by and between the State and the Trustee pursuant to which the State has subleased the property on which the Financed Assets are to be located and the Financed Assets to the Trustee, as amended or supplemented from

time – to – time.

“*State*” means (a) when used with respect to a party to a Financed Asset Agreement or any other document, the State of Colorado, acting by and through the State Treasurer; and (b) when used in any other context, the State of Colorado and all other departments and agencies of the State.

“*State Expense Fund*” means the special fund created by Section 3.03 of the Master Indenture.

“*State Representative*” means the (a) the State Treasurer; (b) the Deputy State Treasurer; or (c) any other officer or employee of the State authorized by law or by a writing signed by the State Treasurer to act as a State Representative under the Financed Asset Agreement, the Indenture, and the Site Subleases.

“*State’s Purchase Option Price*” means (a) when the term is used to refer to the State’s Purchase Option Price under the Financed Asset Agreement, the amount that the State must pay to purchase the interest of the Trustee in all the Financed Asset subject to the Financed Asset Agreement pursuant to Section 7.01 of the Financed Asset Agreement; and (b) when the term is used to refer to the State’s Purchase Option Price under any other Financed Asset Agreement, the amount that the State must pay to purchase the interest of the Trustee all the Financed Asset subject to such Financed Asset Agreement or a portion of the Financed Asset subject to such Financed Asset Agreement, as applicable, pursuant to any similar provision(s) of that Financed Asset Agreement.

“*Supplemental Indenture*” means any indenture supplementing or amending the Indenture that is adopted pursuant to Article VIII of the Master Indenture.

“*Trust Bank*” means a commercial bank which is authorized to exercise and is exercising trust powers located within or without the State, and also means any branch of the Federal Reserve Bank.

“*Trust Estate*” means the property placed in trust by the Trustee pursuant to Section 1.01 of the Master Indenture.

“*Trustee*” means U.S. Bank Trust Company, National Association, acting in the capacity of trustee pursuant to the Indenture, and any successor thereto appointed under the Indenture.

“*Trustee Representative*” means any officer of the Trustee; and any other person or persons designated to act on behalf of the Trustee under the Financed Asset Agreement, the Indenture, and the Site Subleases by a written certificate furnished to the State Treasurer containing the specimen signature of such person and signed on behalf of the Trustee by any officer of the Trustee. The identity of the Trustee Representative may be changed by the Trustee from time to time by furnishing a new certificate to the State Treasurer.

“*TSC*” means Trinidad State College.

“*TSC Building Project*” means an approximately \_\_\_\_\_ square foot two story addition to

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the main building on the campus of TSC which will allow for critical allied health programs, including those for nursing, emergency medical technicians, dental assisting and medical assisting.

*“TSC Project Subaccount”* means the “Series 2024A TSC Building Project Subaccount” of the Project Fund.

*“UNC”* means the University of Northern Colorado.

*“UNC Building Project”* means a new approximately 102,000 square foot building to house the new osteopathic medical college on the UNC campus.

*“UNC Project Subaccount”* means the “Series 2024A UNC Building Project Subaccount” of the Project Fund.

*“UNC Representative”* means \_\_\_\_\_

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# Supplemental Indenture

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After recording return to:  
Michael R. McGinnis  
Greenberg Traurig, LLP  
1144 15th Street, Suite 3300  
Denver, Colorado 80202

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**STATE OF COLORADO  
HIGHER EDUCATION HEALTH SCIENCES FACILITIES  
SERIES 2024 SUPPLEMENTAL TRUST INDENTURE**

by

**U.S. BANK TRUST COMPANY NATIONAL ASSOCIATION**  
as Trustee

authorizing

**State of Colorado  
Higher Education Health Sciences Facilities  
Certificates of Participation  
Series 2024**

Dated as of \_\_\_\_\_ 1, 2024

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**STATE OF COLORADO  
HIGHER EDUCATION HEALTH SCIENCES FACILITIES  
SERIES 2024 SUPPLEMENTAL TRUST INDENTURE**

This State of Colorado Higher Education Health Sciences Facilities Series 2024 Supplemental Trust Indenture (this “Series 2024 Supplemental Indenture”) is dated as of \_\_\_\_\_ 1, 2024, and is executed and delivered by, U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and validly existing under the laws of the United States, as trustee for the benefit of the Owners of the Certificates (the “Trustee”). *Capitalized terms used but not defined herein have the meanings assigned to them in the Glossary attached to the State of Colorado Higher Education Health Sciences Facilities Master Trust Indenture dated as of \_\_\_\_\_ 1, 2024, as such Glossary may be further amended, supplemented and restated from time to time.*

RECITALS

The Master Indenture has been executed and delivered to provide for the issuance and payment of and security for Certificates. This Series 2024 Supplemental Indenture is a Supplemental Indenture and is being executed to provide additional terms applicable to the Series 2024 Certificates.

AGREEMENT

The Trustee hereby declares for the benefit of the Owners as follows:

**ARTICLE I  
SERIES 2024 CERTIFICATES**

**Section 1.01. Authorization and Name.** The following Certificates shall be executed and delivered pursuant to the Act, the Master Indenture and this Series 2024 Supplemental Indenture: State of Colorado Higher Education Health Sciences Facilities Certificates of Participation, Series 2024.

**Section 1.02. Principal Amounts, Dated Dates, Maturity Dates and Interest.**

(a) The aggregate principal amount of the Series 2024 Certificates shall not exceed \$\_\_\_\_\_.

(b) The Authorized Denominations of the Series 2024 Certificates are \$5,000 and any integral multiple thereof.

(c) The Series 2024 Certificates executed and delivered on the date the Series 2024 Certificates are first executed and delivered shall be dated the date they are originally executed and delivered and shall bear interest from such date. Any Series 2024 Certificate executed and delivered upon transfer and exchange of another Series 2024 Certificate shall be dated as of its date of authentication and shall bear interest from the Interest Payment Date next preceding its date of authentication, unless the date of authentication is an Interest Payment Date in which case such Series 2024 Certificate shall



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bear interest from such Interest Payment Date or unless the date of authentication precedes the first Interest Payment Date in which case such Series 2024 Certificate shall bear interest from the date the Series 2024 Certificates are first executed and delivered.

(d) Interest on the Series 2024 Certificates shall be calculated based on a 360-day year consisting of twelve 30-day months.

(e) The Series 2024 Certificates shall mature on the dates and in the principal amounts, and shall bear interest at the per annum rates, set forth below:

<b>Maturity Date</b> <b>( )</b>	<b>Principal</b> <b><u>Amount</u></b>	<b>Interest</b> <b><u>Rate</u></b>
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**Section 1.03. Redemption.**

(a) ***Extraordinary Redemption Upon Occurrence of Event of Nonappropriation or Event of Default.*** The Series 2024 Certificates shall be redeemed in whole, on such date as the Trustee may determine to be in the best interests of the Owners, upon the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under any Lease, at a redemption price equal to the lesser of (i) the principal amount of the Series 2024 Certificates (with no premium), plus accrued interest to the redemption date; or (ii) the sum of (A) the amount, if any, received by the Trustee from the exercise of remedies under the Leases with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default under any Lease that gave rise to such redemption, and (B) the other amounts available in the Trust Estate for payment of the redemption price of the Series 2024 Certificates and all other Certificates that are subject to redemption upon the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under any Lease, which amounts shall be allocated among the Series 2024 Certificates and all other Certificates that are subject to redemption upon the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under any Lease in proportion to the principal amount of each such Certificate. **The payment of the redemption price of any Series 2024 Certificate pursuant to this redemption provision and any similar redemption provision applicable to any other Certificate shall be deemed to be the payment in full of such Series 2024 Certificate and such other Certificate, and no Owner of any such Series 2024 Certificate or other Certificate redeemed pursuant to this redemption provision or any similar redemption provision**

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**applicable to such other Certificate shall have any right to any payment from the Trustee or the State in excess of such redemption price.**

In addition to any other notice required to be given under the Indenture, the Trustee shall, promptly upon the occurrence of an Event of Nonappropriation or an Event of Default under any Lease, notify the Owners of the Series 2024 Certificates and all other Certificates that are subject to redemption upon the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under the Financed Asset Agreement (I) that such event has occurred and (II) whether or not the funds then available to it for such purpose are sufficient to pay the redemption price thereof. If the funds then available to the Trustee are sufficient to pay the redemption price of the Series 2024 and other Certificates that are subject to redemption, such redemption price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the redemption price of the Series 2024 Certificates and other Certificates that are subject to redemption, the Trustee shall (aa) promptly pay the portion of the redemption price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Leases; (bb) subject to the applicable provisions of the Indenture, promptly begin to exercise and diligently pursue all appropriate remedies available to it under the Leases in connection with such Event of Nonappropriation or Event of Default; and (cc) pay the remainder of the redemption price, if any, if and when funds become available to the Trustee from the exercise of such remedies.

(b) ***Optional Redemption.*** The Series 2024 Certificates are subject to redemption at the option of the State, in whole or in part and if in part in Authorized Denominations from the remaining maturities bearing interest at the same interest rate designated by the State and by lot within any remaining maturity bearing interest at the same interest rate designated for redemption, on any date on and after \_\_\_\_\_, 20\_\_, at a redemption price equal to the principal amount of the Series 2024 Certificates to be redeemed (with no premium), plus accrued interest to the redemption date.

(c) ***Mandatory Sinking Fund Redemption.*** The Series 2024 Certificates maturing on November 1, \_\_\_\_\_ are subject to mandatory sinking fund redemption on November 1 of the years and in the principal amounts set forth below at a redemption price equal to the principal amount thereof (with no premium), plus accrued interest to the redemption date.

<b>Mandatory Sinking Fund Redemption Date (November 1)</b>	<b><u>Principal Amount</u></b>
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\* Maturity Date

The State may, at its option, to be exercised on or before the forty-fifth day next preceding each mandatory sinking fund redemption date, (i) deliver to the Trustee for cancellation any Series 2024 Certificates with the same maturity date and interest rate as the Series 2024 Certificates subject to such mandatory sinking fund redemption and (ii) receive a credit in respect of its mandatory sinking fund redemption obligation for any Series 2024 Certificates with the same maturity date and interest rate as the Series 2024 Certificates subject to such mandatory sinking fund redemption which prior to such date have been redeemed (otherwise than by mandatory sinking fund redemption) and cancelled and not theretofore applied as a credit against any mandatory sinking fund redemption obligation. Each Series 2024 Certificate so delivered or previously redeemed shall be credited at the principal amount thereof to the mandatory sinking fund redemption obligation on the mandatory sinking fund redemption dates by lot, and the principal amount of Series 2024 Certificates to be redeemed as part of such mandatory sinking fund redemption on such dates shall be accordingly reduced.

**Section 1.04. Form of Certificates.** The Series 2024 Certificates shall be in substantially the form set forth in Appendix A hereto, with such changes thereto not inconsistent with the Indenture, as may be necessary or desirable and approved by the State. Although attached as an appendix for the convenience of the reader, Appendix A is an integral part of this Series 2024 Supplemental Indenture and is incorporated herein as if set forth in full in the body hereof.

**ARTICLE II  
SEPARATE ACCOUNTS AND SUBACCOUNTS**

**Section 2.01. Creation of Separate Accounts and Subaccounts.** The Trustee shall create the separate accounts and subaccounts in the funds and accounts described below in order to account for the Financed Asset Agreement Revenues paid with respect to the Series 2024 Certificates, the proceeds of the Series 2024 Certificates and earnings from the investment of moneys in each such account and subaccount. The name of each such account and subaccount shall include the Series 2024 designation. The following are the separate accounts and subaccounts to be created:

(a) the following separate subaccounts of the Project Account are hereby created and the amounts to be deposited therein are as follows:

(i) \$\_\_\_\_\_ to the UNC Project Subaccount which shall be disbursed to UNC to pay, or reimburse it for, costs of the UNC Building Project upon receipt of a fully completed requisition in substantially the form attached hereto as Appendix C, signed by the UNC Representative.

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(ii) \$\_\_\_\_\_ to the CSU Project Subaccount which shall be disbursed to CSU to pay, or reimburse it for, costs of the CSU Building Project upon receipt of a fully completed requisition in substantially the applicable form attached hereto as Appendix A, signed by the CSU Representative.

(iii) \$\_\_\_\_\_ to the MSU Project Subaccount which shall be disbursed to MSU to pay, or reimburse it for, costs of the MSU Building Project upon receipt of a fully completed requisition in substantially the applicable form attached hereto as Appendix A, signed by the MSU Representative.

(iv) \$\_\_\_\_\_ to the TSC Project Subaccount which shall be disbursed to TSC to pay, or reimburse it for, costs of the TSC Building Project upon receipt of a fully completed requisition in substantially the applicable form attached hereto as Appendix A, signed by the TSC Representative.

(b) separate accounts of the State Expense Fund and the Rebate Fund; and

(c) separate subaccounts of the Interest Account, the Principal Account, the Purchase Option Account and the Costs of Issuance Account.

**Section 2.02. Additional Subaccounts.** In order to account for the Financed Asset Agreement Revenues paid by the State, the Trustee may establish subaccounts within the subaccount of the Interest Account for the Series 2024 Certificates and the subaccount of the Principal Account for the Series 2024 Certificates.

**ARTICLE III  
CERTIFICATIONS, REPRESENTATIONS AND AGREEMENTS OF TRUSTEE**

The Trustee hereby certifies, represents and agrees that all the certifications, representations and agreements of the Trustee set forth in Section 6.01 of the Master Indenture are true and accurate and makes the same certifications, representations and agreements under this Series 2024 Supplemental Indenture as if set forth in full herein.

**ARTICLE IV  
MISCELLANEOUS**

**Section 4.01. Titles, Headings, Etc.** The titles and headings of the articles, sections and subdivisions of this Series 2024 Supplemental Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

**Section 4.02. Interpretation and Construction.** This Series 2024 Supplemental Indenture and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Series 2024 Supplemental Indenture. For purposes of this Series 2024 Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this Series 2024 Supplemental Indenture to designated “Articles,” “Sections,” “subsections,” “paragraphs,” “clauses” and other subdivisions are

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to the designated Articles, Sections, subsections, paragraphs, clauses and other subdivisions of this Series 2024 Supplemental Indenture. The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder” and other words of similar import refer to this Series 2024 Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision.

(b) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles applicable to governmental entities and subject to statutory exceptions and modifications, as in effect from time to time.

(c) The term “money” includes any cash, check, deposit, investment security or other form in which any of the foregoing are held hereunder.

(d) In the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and each of the words “to” and “until” means “to but excluding.”

**Section 4.03. Legal Description of Land Included in Financed Asset.** The legal description of the land included in the Financed Asset subject to the Financed Asset Agreement is set forth in Appendix B hereto. If the land included in the Financed Asset subject to the Financed Asset Agreement is modified pursuant to the terms of the Financed Asset Agreement, or other land is substituted for land included in the Financed Asset subject to the Financed Asset Agreement pursuant to the terms of the Financed Asset Agreement, the legal description set forth in Appendix B hereto will be amended to describe the land included in the Financed Asset subject to the Financed Asset Agreement after such modification or substitution.

**Section 4.04. Execution in Counterparts.** This Series 2024 Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 4.05. Incorporation of Provisions of Master Indenture.** This Series 2024 Supplemental Indenture shall form a part of the Master Indenture and all the terms contained herein shall be deemed to be a part of the Master Indenture and all terms of the Master Indenture shall be deemed to be a part of this Series 2024 Supplemental Indenture.

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APPENDIX A

FORM OF SERIES 2024 CERTIFICATE

*Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner thereof, Cede & Co., has an interest herein.*

No. R-1

\$ \_\_\_\_\_

STATE OF COLORADO  
HIGHER EDUCATION HEALTH SCIENCES FACILITIES  
CERTIFICATE OF PARTICIPATION  
SERIES 2024

Interest Rate	Maturity Date	Delivery Date	CUSIP
%	_____, 20__	_____, 2024	_____

REGISTERED OWNER: \*\*CEDE & CO.\*\*

PRINCIPAL SUM: \*\* \_\_\_\_\_ \*\*

THIS CERTIFIES THAT the registered owner specified above, or registered assigns, has an undivided interest in rights to receive certain amounts payable by the State of Colorado (the "State") under the State of Colorado Higher Education Health Sciences Facilities Series 2024 Financed Asset Agreement dated \_\_\_\_\_ 1, 2024, and any other Higher Education Health Sciences Facilities Financed Asset Agreement executed and delivered pursuant to the below-defined Indenture (collectively, the "Leases") by and between U.S. BANK TRUST COMPANY NATIONAL ASSOCIATION, Denver, Colorado, in its capacity as trustee under the Indenture (the "Trustee"), as lessor, and the State, acting by and through the State Treasurer, as lessee. The interest of the registered owner of this certificate is secured as provided in the Higher Education Health Sciences Facilities Master Trust Indenture, dated as of \_\_\_\_\_ 1, 2024 (the "Master Indenture") by the Trustee, as amended and supplemented by the State of Colorado Higher Education Health Sciences Facilities Series 2024 Supplemental Indenture dated as of \_\_\_\_\_ 1, 2024 (the "Series 2024 Supplemental Indenture"). The Master Indenture, as amended and supplemented by the Series 2024 Supplemental Indenture, is referred to as the "Indenture". Pursuant to the Indenture, certain rights of the Trustee as lessor under the Leases and certain rights of the Trustee in the property leased by the Trustee, as lessor, to the State, as lessee, pursuant to the Leases have been placed in trust for the benefit of the registered owners (the "Owners") of the State of Colorado Higher Education Health Sciences Facilities Certificates of Participation Series 2024 (the "Series 2024 Certificates") and other Certificates issued pursuant to

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the Indenture (collectively, “Certificates”) evidencing undivided interests in the right to receive amounts payable by the State under the Leases. Capitalized terms used but not defined herein have the meanings assigned to them in the Glossary attached to the Master Indenture, as such Glossary may be amended, supplemented and restated from time to time.

**Payment of Principal and Interest**

The principal of and premium, if any, on this certificate shall be payable to the Owner as shown on the registration records of the Trustee upon maturity or prior redemption of this certificate and upon presentation and surrender at the Operations Center of the Trustee. Payment of interest at the interest rate set forth above is payable each **[June 15]** and **[December 15]**, commencing **[December 15]**, 202\_ (each, an “Interest Payment Date”), by check or draft of the Trustee mailed on or before such Interest Payment Date to the Owner of this certificate at its address as it last appears on the registration records of the Trustee at the close of business on the Record Date, which is the first day of the calendar month in which such interest is payable (whether or not a Business Day). Any such interest not so timely paid shall cease to be payable to the person who is the Owner of this certificate at the close of business on the Record Date and shall be payable to the person who is the Owner of this certificate at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Trustee to the Owners of the Certificates, not less than ten days prior to the Special Record Date, by first-class mail to each such Owner as shown on the Trustee’s registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed to in writing between the Owner of this certificate and the Trustee.

**Base Rent and Additional  
Rent; Termination of Leases**

Under the Financed Asset Agreement, the Financed Assets have been leased by the Trustee to the State; and the State has agreed, subject to the terms of the Financed Asset Agreement, to pay directly to the Trustee Base Rent in consideration for its right and the right of the Higher Education Institutions to use their respective Financed Assets, which Base Rent is part of the Trust Estate. In addition to the Base Rent, the State has agreed, subject to the terms of the Financed Asset Agreement, to make certain other payments as Additional Rent with respect to costs and expenses incurred by the State in performing its obligations under the Financed Asset Agreement, other than its obligations with respect to Base Rent and the State’s Purchase Option Price.

The Financed Asset Agreement Term of the Financed Asset Agreement is the Initial Term commencing on the date the Financed Asset is executed and delivered and ending on June 30 of that Fiscal Year and successive one year Renewal Terms, subject to the provisions described below. The Financed Asset Agreement Term of the Financed Asset Agreement shall expire upon the earliest of any of the following events: (a) the last day of the month in which the final Base Rent payment is scheduled to be paid in accordance with the Financed Asset Agreement; (b) June 30 of the Initial Term or June 30 of any Renewal Term during which, in either case, an Event of Nonappropriation has occurred; (c) the purchase of all the Financed Assets subject to the Financed



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Asset Agreement by the State pursuant to the Financed Asset Agreement; or (d) termination of the Financed Asset Agreement following an Event of Default in accordance with the Financed Asset Agreement.

Upon termination of the Financed Asset Agreement Term of the Financed Asset Agreement, all unaccrued obligations of the State under shall terminate, but all obligations of the State that have accrued thereunder prior to such termination shall continue until they are discharged in full; and if the termination occurs because of the occurrence of an Event of Nonappropriation or an Event of Default, the State's right to possession of the Financed Asset thereunder shall terminate and (i) the State shall, within 90 days, vacate the Financed Asset; and (ii) if and to the extent the Colorado General Assembly has appropriated funds for payment of Rent payable during, or with respect to the State's use of the Financed Asset during, the period between termination of the Financed Asset Agreement Term and the date the Financed Asset is vacated pursuant to clause (i), the State shall pay Base Rent to the Trustee and Additional Rent to the Person entitled thereto. If the termination occurs because of the occurrence of an Event of Nonappropriation or an Event of Default, the Trustee will be entitled to exercise certain remedies with respect to the Financed Asset.

**Redemption of Series 2024 Certificates**

***Extraordinary Redemption Upon Occurrence of Event of Nonappropriation or Event of Default.*** The Series 2024 Certificates shall be redeemed in whole, on such date as the Trustee may determine to be in the best interests of the Owners, upon the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under any Lease, at a redemption price equal to the lesser of (i) the principal amount of the Series 2024 Certificates (with no premium), plus accrued interest to the redemption date; or (ii) the sum of (A) the amount, if any, received by the Trustee from the exercise of remedies under the Leases with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default under any Lease that gave rise to such redemption and (B) the other amounts available in the Trust Estate for payment of the redemption price of the Series 2024 Certificates and all other Certificates that are subject to redemption upon the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under any Lease, which amounts shall be allocated among the Series 2024 Certificates and all other Certificates that are subject to redemption upon the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under any Lease in proportion to the principal amount of each such Certificate. **The payment of the redemption price of any Series 2024 Certificate pursuant to this redemption provision and any similar redemption provision applicable to any other Certificate shall be deemed to be the payment in full of such Series 2024 Certificate and such other Certificate, and no Owner of any such Series 2024 Certificate or other Certificate redeemed pursuant to this redemption provision or any similar redemption provision applicable to such other Certificate shall have any right to any payment from the Trustee or the State in excess of such redemption price.**

In addition to any other notice required to be given under the Indenture, the Trustee shall, promptly upon the occurrence of an Event of Nonappropriation or an Event of Default under any Lease, notify the Owners of the Series 2024 Certificates and all other Certificates that are subject to redemption upon the occurrence of an Event of Nonappropriation or the occurrence and

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continuation of an Event of Default under the Financed Asset Agreement (I) that such event has occurred and (II) whether or not the funds then available to it for such purpose are sufficient to pay the redemption price thereof. If the funds then available to the Trustee are sufficient to pay the redemption price of the Series 2024 and other Certificates that are subject to redemption, such redemption price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the redemption price of the Series 2024 Certificates and other Certificates that are subject to redemption, the Trustee shall (aa) promptly pay the portion of the redemption price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Leases; (bb) subject to the applicable provisions of the Indenture, promptly begin to exercise and diligently pursue all appropriate remedies available to it under the Leases in connection with such Event of Nonappropriation or Event of Default; and (cc) pay the remainder of the redemption price, if any, if and when funds become available to the Trustee from the exercise of such remedies.

***Optional Redemption.*** The Series 2024 Certificates are subject to redemption at the option of the State, in whole or in part and if in part in Authorized Denominations from the remaining maturities bearing interest at the same interest rate designated by the State and by lot within any remaining maturity bearing interest at the same interest rate designated for redemption, on any date on and after December 15, 2028, at a redemption price equal to the principal amount of the Series 2024 Certificates to be redeemed (with no premium), plus accrued interest to the redemption date.

***Mandatory Sinking Fund Redemption.*** The Series 2024 Certificates maturing on November 1, \_\_\_\_\_ are subject to mandatory sinking fund redemption on November 1 of the years and in the principal amounts set forth below at a redemption price equal to the principal amount thereof (with no premium), plus accrued interest to the redemption date.

<b>Mandatory Sinking Fund Redemption Date (November 1)</b>	<b><u>Principal Amount</u></b>
--	--------------------------------

\_\_\_\_\_  
\* Maturity Date

The State may, at its option, to be exercised on or before the forty-fifth day next preceding each mandatory sinking fund redemption date, (i) deliver to the Trustee for cancellation any Series 2024 Certificates with the same maturity date and interest rate as

**DRAFT AND SUBJECT TO CHANGE**

the Series 2024 Certificates subject to such mandatory sinking fund redemption and (ii) receive a credit in respect of its mandatory sinking fund redemption obligation for any Series 2024 Certificates with the same maturity date and interest rate as the Series 2024 Certificates subject to such mandatory sinking fund redemption which prior to such date have been redeemed (otherwise than by mandatory sinking fund redemption) and cancelled and not theretofore applied as a credit against any mandatory sinking fund redemption obligation. Each Series 2024 Certificate so delivered or previously redeemed shall be credited at the principal amount thereof to the mandatory sinking fund redemption obligation on the mandatory sinking fund redemption dates by lot, and the principal amount of Series 2024 Certificates to be redeemed as part of such mandatory sinking fund redemption on such dates shall be accordingly reduced.

**Notice of Redemption.** Notice of the call for any redemption, identifying the Series 2024 Certificates or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by United States first class mail, at least 30 days prior to the date fixed for redemption, and to the Owner of each Certificate to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings of any Series 2024 Certificates as to which no such failure has occurred. Any notice mailed as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice. If at the time of mailing of notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Series 2024 Certificates called for redemption, which moneys are or will be available for redemption of Series 2024 Certificates, such notice will state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

**Supplements to Indenture**

The Indenture permits supplements to the Indenture by the Trustee with the approval of the State and the Owners of not less than a majority or, in certain instances, 100% in aggregate principal amount of the Certificates at the time Outstanding, as defined in the Indenture. The Indenture also contains provisions permitting the Trustee to execute supplements to the Indenture with the consent of the State but without the consent of the Owners of the Certificates for certain purposes, including, without limitation, the execution and delivery of additional Series of Certificates.

**Amendments of Financed Asset Agreement and Site Sublease**

The Indenture permits amendments to the Financed Asset Agreement or the Site Sublease with the approval of the Owners of not less than a majority or, in certain instances, 100% in aggregate principal amount of the Certificates at the time Outstanding, as defined in the Indenture. The Indenture also contains provisions permitting amendments to the Financed Asset Agreement or the Site Sublease without the consent of the Owners of the Certificates for certain purposes, including without limitation, the execution and delivery of additional Series of Certificates.

**Additional Certificates**

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The Master Indenture permits the execution and delivery of additional Series of Certificates secured by the Trust Estate on parity with the Outstanding Certificates, without notice to or approval of the owners of the Outstanding Certificates, as directed by the State and upon satisfaction of certain conditions, all as provided in the Master Indenture. If any additional Series of Certificates are executed and delivered, an existing Financed Asset Agreement must be amended or an additional Financed Asset Agreement must be entered by the State to include as Financed Assets thereunder such additional Financed Asset, if any, as may be financed by the State in connection with the execution and delivery of such additional Series of Certificates.

**Miscellaneous**

THE INDENTURE CONSTITUTES THE CONTRACT BETWEEN THE REGISTERED OWNER OF THIS CERTIFICATE AND THE TRUSTEE. THIS CERTIFICATE IS ONLY EVIDENCE OF SUCH CONTRACT AND, AS SUCH, IS SUBJECT IN ALL RESPECTS TO THE TERMS OF THE INDENTURE, WHICH SUPERSEDES ANY INCONSISTENT STATEMENT IN THIS CERTIFICATE.

No provision of the Certificates, the Indenture, the Financed Asset Agreement, or any other document or instrument shall be construed or interpreted (a) to directly or indirectly obligate the State to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the State within the meaning of Article XI, Section 6 or Article X, Section 20 of the Colorado Constitution or any other constitutional or statutory limitation or provision; (c) as a delegation of governmental powers by the State; (d) as a loan or pledge of the credit or faith of the State or as creating any responsibility by the State for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Colorado Constitution; or (e) as a donation or grant by the State to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the Colorado Constitution.

This certificate is issued with the intent that the laws of the State of Colorado shall govern its legality, validity, enforceability and construction.

This certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture, unless it shall have been manually signed on behalf of the Trustee.

IN WITNESS WHEREOF, this certificate has been executed with the manual signature of an authorized signatory of the Trustee as of the date specified above.

U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION , as Trustee

By

\_\_\_\_\_  
Authorized Signatory

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**ASSIGNMENT**

(The Trustee may require the payment, by the Owner of any certificate requesting transfer, of any reasonable charges, as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such transfer.)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within certificate on the records kept for registration thereof, with full power of substitution in the premises.

Dated:

\_\_\_\_\_

NOTICE: The signature to this Assignment must correspond with the name as written on the face of the within certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed by a Member  
of a Medallion Signature Program:

\_\_\_\_\_

Address of transferee:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Social Security or other  
tax identification number of  
transferee:

\_\_\_\_\_

DRAFT AND SUBJECT TO CHANGE

**APPENDIX B**

**LEGAL DESCRIPTION OF LAND INCLUDED IN THE FINANCED ASSETS  
SUBJECT TO THE FINANCED ASSET AGREEMENT**

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## APPENDIX C

### FORM OF BUILDING PROJECT SUBACCOUNT REQUISITION

**Commented [LM2]:** All reimbursement requests will be accompanied by this form.

U.S. Bank Trust Company, National Association  
950 Seventeenth Street  
Denver, Colorado 80202  
Attention: Corporate Trust Services

**State of Colorado  
Higher Education Health Sciences Facilities  
Master Trust Indenture  
dated as of \_\_\_\_\_ 1, 2024**

Ladies and Gentlemen:

This \_\_\_\_\_ Building Project Subaccount Requisition is delivered by [Name of Higher Education Institution (the "Institution")], to U.S. Bank Trust Company, National Association in its capacity as trustee (the "Trustee") under the State of Colorado Higher Education Health Sciences Facilities Master Trust Indenture dated as of \_\_\_\_\_, 2024 and the State of Colorado Higher Education Health Sciences Facilities Series 2024 Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, 2024, (collectively, the "Indenture"). Capitalized terms used but not defined herein have the meanings assigned to them in the Indenture.

The Institution, in accordance with the Indenture, hereby requisitions the dollar amount described below from the \_\_\_\_\_ Building Project Subaccount identified below to pay, or reimburse the Institution for the payment of costs of the \_\_\_\_\_ Building Project for which such \_\_\_\_\_ Building Project Subaccount was established.

The State represents that:

1. If this Requisition is the first requisition for a withdrawal from the \_\_\_\_\_ Building Project Account, the Trustee has previously received, or this Requisition is accompanied by a standard leasehold title insurance policy, an amendment or supplement to a previously issued standard leasehold title insurance policy or a commitment to issue such a policy, amendment or supplement, which, when considered together with policies or amendments or supplements to policies previously received by the Trustee, insure(s) the Trustee's interest in the real estate included in the Financed Asset leased to the State, and if all or any portion of the Trustee's title to the real estate included in the Financed Asset Agreement is a leasehold interest, then also insuring the title of the fee owner of such real estate, subject only to Permitted Encumbrances, in an amount that is not less than the lesser of (a) the Fair Market Value of the Financed Asset or (b) the amount resulting from multiplying (i) the principal amount of the Series of Certificates from which proceeds have been deposited into the \_\_\_\_\_ Building Project Subaccount, *times* (ii) a fraction, (A) the numerator of which is the amount of proceeds of such Series of Certificates and Allocated

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Investment Earnings deposited into all of the Building Project Subaccounts and (B) the denominator of which is the total amount of proceeds of such Series of Certificates deposited into the Project Account.

2. The total amount withdrawn from the \_\_\_\_\_ Building Project Account pursuant to this Requisition and all previous requisitions does not exceed the amount of proceeds of Certificates and Allocated Investment Earnings deposited into the \_\_\_\_\_ Building Project Subaccount pursuant to the Indenture.

[3. No Event of Default or Event of Nonappropriation has occurred and is continuing under the Financed Asset Agreement.]

TOTAL DOLLAR AMOUNT REQUESTED PURSUANT TO THIS REQUISITION:

\_\_\_\_\_

The undersigned hereby certifies that he/she is the \_\_\_\_\_ Representative and is authorized to sign and deliver this Requisition to the Trustee pursuant to the Indenture.

[NAME OF HIGHER ED INSTITUTION]

By \_\_\_\_\_  
[Title]

Date: \_\_\_\_\_



This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

# Preliminary Official Statement

DRAFT AND SUBJECT TO CHANGE

PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2024

NEW ISSUE— Book-Entry Only

RATINGS: Moody's: [ ]

S&P: [ ]

See "RATINGS"

*In the opinion of Greenberg Traurig, LLP, Bond Counsel, assuming the accuracy of certain representations and certifications and continuing compliance with certain covenants, under existing statutes, regulations, rulings, and court decisions, the portion of Base Rent designated and paid by the State as interest on the Series 2024 Certificates (referred to herein as "interest") is excludable from gross income for federal income tax purposes, and, further, that interest on the Series 2024 Certificates is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") on applicable corporations (as defined in Section 59(k) of the Code), the portion of the Basic Rent designated and paid as interest to the owners of the Series 2024 Certificates is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that, under existing State of Colorado statutes, regulations, rulings and court decisions, such interest is excludable from taxable income for purposes of the State of Colorado income tax and the State of Colorado alternative minimum tax. No opinion is expressed with respect to the federal income tax or Colorado income tax consequences of any payments received with respect to the Series 2024 Certificates following the termination of the Asset Agreement as a result of non-appropriation of funds or the occurrence of an event of default thereunder. See "TAX MATTERS" herein.*



**\$275,000,000\***  
**STATE OF COLORADO**  
**HIGHER EDUCATION**  
**HEALTH SCIENCES FACILITIES**  
**CERTIFICATES OF PARTICIPATION**  
**SERIES 2024**

Dated: Date of Delivery

Due: November 1, as shown on the inside cover

The Series 2024 Certificates are being executed and delivered as fully registered Series 2024 Certificates in denominations of \$5,000, or any integral multiple thereof. The Series 2024 Certificates bear interest at the rates set forth herein, payable on November 1, 2024, and semiannually thereafter on May 1 and November 1 of each year, to and including the maturity dates shown on the inside cover hereof (unless the Series 2024 Certificates are redeemed earlier) by check or draft mailed to the registered owner of the Series 2024 Certificates, initially Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the Series 2024 Certificates.

**Maturity, principal amount, interest rate, and price information for the Series 2024 Certificates is located on the inside cover page of this Official Statement.**

The Series 2024 Certificates will be executed and delivered by U.S. Bank Trust Company, National Association, Denver, Colorado, as trustee (the "**Trustee**") pursuant to and secured by a Master Trust Indenture (the "**Master Indenture**") as supplemented by the Series 2024 Supplemental Trust Indenture (the "**Supplemental Indenture**") each dated as of [ ] 1, 2024 (the Master Indenture and the Supplemental Indenture collectively, the "**Indenture**") as supplemented and amended from time to time. The Certificates (the "**Series 2024 Certificates**") will be paid and secured on a parity basis and will evidence undivided interests in the right to certain payments by the State under an annually renewable Series 2024 Financed Purchase of an Asset Agreement (the "**Asset Agreement**") that has been entered into between the Trustee, as lessor, and the State of Colorado ("**State**"), acting by and through the State Treasurer (the "**Treasurer**"), as lessee. Pursuant to applicable statutes, the State will pay Rent under the Asset Agreement, subject to its terms, from money in the State's General Fund (the "**General Fund**").

The net proceeds of the Series 2024 Certificates will be used to pay, among other things, the costs of the Series 2024 Projects, as more fully described in "PLAN OF FINANCING – The Series 2024 Projects," and to pay the costs of issuance of the Series 2024 Certificates.

Upon the occurrence of an Event of Default or Event of Nonappropriation under the Asset Agreement, the Trustee will be entitled to exercise certain remedies with respect to the Financed Asset that the State has leased from the Trustee pursuant to the Asset Agreement, subject to the terms of the Asset Agreement and the Indenture. Pursuant to four site leases with each of the higher education institutions, each a State of Colorado Higher Education Health Sciences Facilities Site Lease (each as defined herein as a “**Site Lease**” and collectively, the “**Site Leases**”) dated as of \_\_\_\_\_ 1, 2024, the State, as lessee, will lease the Financed Asset from the higher education institutions. Pursuant to the State of Colorado Higher Education Health Sciences Facilities Site Sublease (the “**Site Sublease**”) dated as of \_\_\_\_\_ 1, 2024, the State, as lessor, will sublease the Financed Asset to the Trustee. The Financed Asset will consist of the land and the buildings, structures and improvements now or hereafter located on such land on the respective campuses of each of the four higher education institutions that the State has designated and the Trustee has leased back to the State pursuant to the Asset Agreement.

*The Series 2024 Certificates are subject to redemption prior to their stated maturity date, as more fully described herein.*

**Payment of Rent (as defined in the Indenture) and all other payments under the Asset Agreement constitute currently appropriated expenditures of the State of Colorado General Assembly (the “General Assembly”) and may be paid solely from legally available money in the General Fund. The obligations to pay Rent and all other obligations under the Asset Agreement are subject to annual appropriation by the General Assembly in its sole discretion, and shall not be deemed or construed as creating an indebtedness of the State within the meaning of any provision of the State Constitution or the laws of the State concerning or limiting the creation of indebtedness of the State and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the State within the meaning of Section 3 of Article XI or Section 20(4) of Article X of the State Constitution or any other limitation or provision of the State Constitution, State statutes or other State law. In the event the State does not renew the Asset Agreement, the sole security available to the Trustee, as lessor under the Asset Agreement, shall be the Financed Asset leased under the Asset Agreement, subject to the terms of the Asset Agreement.**

*This cover page contains certain information for quick reference only. It is not a summary of the transaction. Each prospective investor should read this Official Statement in its entirety to obtain information essential to making an informed investment decision and should give particular attention to the section entitled “CERTAIN RISK FACTORS.”*

The Series 2024 Certificates are offered when, as and if delivered, subject to the approving opinion of Greenberg Traurig LLP, Denver, Colorado, as Bond Counsel, and certain other conditions. Tate Law, P.C. has acted as counsel to the State in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the State by the office of the Attorney General of the State, as counsel to the State. Kutak Rock LLP, Denver, Colorado, has been engaged by each of the Higher Education Institutions to represent them in connection with the offering, execution, and delivery of the Series 2024 Certificates. Kline, Alvarado & Veio, P.C., Denver, Colorado, has acted as counsel to the Underwriters. North Slope Capital Advisors, Denver, Colorado, has acted as municipal advisor to the State in connection with the offering, execution and delivery of the Series 2024 Certificates. It is expected that the Series 2024 Certificates will be executed and available for delivery through the facilities of DTC, on or about [\_\_\_\_\_, 2024].

**BofA Securities, Inc.**

**Stifel Public Finance**

**RBC Capital Markets, LLC**

**Jefferies**

**Piper Sandler & Co.**

Dated: \_\_\_\_\_, 2024.

**MATURITY SCHEDULE**  
**(CUSIP® 6-digit issuer number: 196711)**

**\$275,000,000\***  
**STATE OF COLORADO**  
**HIGHER EDUCATION**  
**HEALTH SCIENCES FACILITIES**  
**CERTIFICATES OF PARTICIPATION**  
**SERIES 2024**

<u>Maturing</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u> <sup>1</sup>	<u>CUSIP</u> <sup>2</sup> ®
2027	\$	%	%	
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				

\$ \_\_\_\_\_ \* \_\_\_\_\_ % Term Bonds due 20\_\_ \*, to yield \_\_\_\_\_ %

\$ \_\_\_\_\_ \* \_\_\_\_\_ % Term Bonds due 20\_\_ \*, to yield \_\_\_\_\_ %

\$ \_\_\_\_\_ \* \_\_\_\_\_ % Term Bonds due 20\_\_ \*, to yield \_\_\_\_\_ %

**(plus accrued interest)**

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© CUSIP is a registered trademark of the American Bankers Association. The CUSIP data included herein has been provided by CUSIP Global Services operated by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by Standard & Poor's, a business unit of McGraw-Hill Financial, and is provided solely for the convenience of the purchasers of the Series 2024 Certificates and only as of the issuance of the Series 2024 Certificates. The State takes no responsibility for the accuracy of such data now or at any time in the future.

\* Preliminary; subject to change.

<sup>1</sup> Priced to the first optional redemption date of [\_\_\_\_\_].

## **USE OF INFORMATION IN THIS OFFICIAL STATEMENT**

This Official Statement, which includes the cover page and the Appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Series 2024 Certificates in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2024 Certificates, and if given or made, such information or representations must not be relied upon as having been authorized by the State of Colorado or the Underwriters.

The information set forth in this Official Statement has been obtained from the State, from the sources referenced throughout this Official Statement and from other sources believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of information received from parties other than the State. In accordance with, and as part of, their responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, the Underwriters have reviewed the information in this Official Statement but do not guarantee its accuracy or completeness. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2024 Certificates shall, under any circumstances, create any implication that there has been no change in the affairs of the State or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

The Trustee has not participated in the preparation of this Official Statement or any other disclosure documents relating to the Series 2024 Certificates. The Trustee does not have and does not assume any responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents, except the information concerning and obtained from the Trustee for inclusion herein.

This Official Statement has been prepared only in connection with the original offering of the Series 2024 Certificates and may not be reproduced or used in whole or in part for any other purpose.

The Series 2024 Certificates have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. In making an investment decision, investors must rely on their own examination of the State, the Series 2024 Certificates and the terms of the offering, including the merits and risks involved. The Series 2024 Certificates have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE SERIES 2024 CERTIFICATES ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS.

\* \* \*

CAUTIONARY STATEMENTS  
REGARDING  
PROJECTIONS, ESTIMATES AND OTHER  
FORWARD-LOOKING STATEMENTS IN  
THIS OFFICIAL STATEMENT

This Official Statement, including but not limited to the material set forth under “PLAN OF FINANCING,” “CERTAIN RISK FACTORS,” “STATE FINANCIAL INFORMATION,” “DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS,” “LITIGATION, GOVERNMENTAL IMMUNITY AND SELF-INSURANCE” and in Appendices E, F and I contains statements relating to future results that are “forward-looking statements.” When used in this Official Statement, the words “estimates,” “intends,” “expects,” “believes,” “anticipates,” “plans,” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between forward-looking statements and actual results, and those differences may be material. The State does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events, conditions or circumstances on which these statements are based occur.

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OFFICIAL STATEMENT  
\$275,000,000\*  
STATE OF COLORADO  
HIGHER EDUCATION  
HEALTH SCIENCES FACILITIES  
CERTIFICATES OF PARTICIPATION  
SERIES 2024

INTRODUCTION

**General**

This Official Statement, including its cover page, inside front cover and appendices, provides information in connection with the delivery and sale of State of Colorado, Higher Education Health Sciences Facilities, Certificates of Participation, Series 2024 (the “**Series 2024 Certificates**”).

The Series 2024 Certificates will be executed and delivered by U.S. Bank Trust Company, National Association, Denver, Colorado, as trustee (the “**Trustee**”) pursuant to and secured by a Master Trust Indenture (the “**Master Indenture**”), as supplemented and amended by the Series 2024 Supplemental Indenture (the “**Supplemental Indenture**”) each dated as of [\_\_\_\_\_, 2024] and as further supplemented and amended from time-to-time. The Master Indenture and Supplemental Indenture are collectively referred to herein as the “**Indenture**”.

The Series 2024 Certificates are authorized under current State law to be executed and delivered pursuant to the Indenture. The Series 2024 Certificates will be paid and secured on a parity basis and evidence undivided interests in the right to certain payments by the State under the annually renewable Series 2024 Financed Purchase of an Asset Agreement dated as of the date of delivery of the Series 2024 Series 2024 Certificates (the “**Asset Agreement**”) entered into by and between the Trustee, as lessor, and the State of Colorado (the “**State**”), acting by and through the State Treasurer (the “**Treasurer**”), as lessee. Capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Glossary attached as Appendix A to the form of the Master Indenture attached as **Appendix B** hereto.

This introduction is not a summary of this Official Statement. It is only a summary description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. Each prospective investor should read this Official Statement in its entirety to obtain information essential to making an informed investment decision and should give particular attention to the section entitled “CERTAIN RISK FACTORS.” The offering of Series 2024 Certificates to potential investors is made only by means of the entire Official Statement.

**Authority for Delivery**

The Series 2024 Certificates are being executed and delivered under authority granted by the Colorado constitution and laws of the State, and particularly House Bill 24-1231 (“**HB 24-1231**”), Colorado Revised Statutes (“**C.R.S.**”) Section 24-36-101, *et seq.*, as amended (the “**Act**”), and the Supplemental Public Securities Act (Title 11, Article 57, Part 2, Colorado Revised Statutes).

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\* Preliminary; subject to change.

**HB 24-1231**

HB 24-1231 authorizes, among other things, the creation of financed purchase of an asset or certificate of participation agreements, including lease-purchase agreements, on existing State facilities, or facilities to be constructed, for the purpose of funding health care and sciences related projects at four Colorado higher education institutions – The University of Northern Colorado (“UNC”); Metropolitan State University of Denver (“Metro State”); Colorado State University (“CSU”); and, Trinidad State College (“TSC”) (each a “**Higher Education Institution**” and collectively, the “**Higher Education Institutions**”).

Further, HB 24-1231 authorizes the creation of an escrow account to be held for the benefit of UNC to satisfy its accreditation requirements for its planned college of osteopathic medicine (the “**Escrow Fund**”). The Escrow Fund will consist of \$41,250,000 transferred from the General Fund to UNC and is to be released only upon either the failure of UNC to complete the accreditation process or the graduation of its first cohort from the college. HB 24-1231 further sets forth how the Escrow Funds are to be released upon the satisfaction of either of the two conditions. **The moneys in the Escrow Fund are not funded by proceeds of the Series 2024 Certificates, do not comprise any part of the Series 2024 Projects, are not part of the Financed Assets and are not legally available moneys to make any payments regarding the Series 2024 Certificates.**

Pursuant to HB 24-1231, the Treasurer has the authority to determine a list of State facilities that may be collateralized as part of the agreements (the “**Financed Assets**”). HB 24-1231 authorizes the State to execute lease-purchase agreements in a principal amount up to \$246,936,092 plus reasonable and necessary administrative, monitoring and closing costs and interest, including capitalized interest. HB 24-1231 also authorizes the State, acting by and through the Treasurer and the applicable governing boards of the Higher Education Institutions, to enter into ancillary agreements and instruments necessary or appropriate in connection with any agreement, including but not limited to deeds, ground leases, sub-leases, easements, or other instruments related to the real property on which a facility is located. Further, HB 24-1231 directs the State Controller, or his/her designee, to waive the fiscal rules incompatible with an agreement or ancillary agreement or instrument used for the financed projects. HB 24-1231 also authorizes the Treasurer, in his discretion, to enter into interest rate exchange agreements. The source of funds available for annual appropriation from the General Fund or any legally available source of money by the State of Colorado General Assembly (the “**General Assembly**”) or other entity to make payments under the Asset Agreement each year is limited to \$17.5 million. The Asset Agreement provides that to the extent the Act is changed at any time to increase the maximum total amounts of annual lease payments during any fiscal year under the Leases or change the amounts allocated from the State General Fund, such increase and new allocation amounts under the provisions of the Act will take effect without any further action by the State or the Trustee. **ACCORDINGLY, INVESTORS SHOULD NOT RELY ON ANY SPECIFIC ALLOCATION OF THE GENERAL FUND AS A SOURCE OF FUNDS FOR ANY ANNUAL APPROPRIATION OR ALLOCATION BY THE GENERAL ASSEMBLY. SUCH ALLOCATIONS COULD CHANGE AT ANY TIME WHILE THE SERIES 2024 CERTIFICATES ARE OUTSTANDING.**

**The General Fund**

The Series 2024 Certificates will be payable solely from amounts annually appropriated by the Colorado General Assembly to make payments under the Asset Agreement, as described in “Sources of Payment for the Series 2024 Certificates” under this caption. The Act requires that, to the extent appropriated, such payments by the State be made from any money that the Colorado General Assembly transfers from the State General Fund and any other legally available source of money.

Investors should closely review the financial and other information included in this Official Statement regarding the State and the State General Fund to evaluate any risks of nonappropriation by the Colorado General Assembly. See “CERTAIN RISK FACTORS,” “STATE FINANCIAL INFORMATION,” and Appendices A, E, F, and I hereto.

### **Purposes of the Series 2024 Certificates**

Proceeds from the sale of the Series 2024 Certificates will be used to finance the costs of the Series 2024 Projects, as more fully described under this caption and “PLAN OF FINANCING—The Series 2024 Projects.” Proceeds of the Series 2024 Certificates will also be used to pay the for capitalized interest and the costs of issuance associated with the Series 2024 Certificates. See “PLAN OF FINANCING—Sources and Uses of Funds” for a description of the estimated uses of proceeds of the Series 2024 Certificates.

### **The Series 2024 Projects**

The Series 2024 Projects involve four higher education health sciences capital projects described herein under “PLAN OF FINANCING—The Series 2024 Projects.”

### **The Financed Assets**

The State will enter into four nearly identical site leases with each of the Higher Education Institutions through a State of Colorado Higher Education Health Sciences Facilities Site Lease (each a “**Site Lease**” and collectively, the “**Site Leases**”) dated the date of delivery of the Series 2024 Certificates, by which the State, as lessee, will lease the Financed Asset from each Higher Education Institution. The State will also enter into the State of Colorado Higher Education Health Sciences Facilities Site Sublease (the “**Site Sublease**”) dated as of the date of delivery of the Series 2024 Certificates, by which the State, as lessor, will lease the Financed Assets to the Trustee. None of the Site Leases or the Site Sublease will require the payment of any rent. The Financed Assets will consist of the land and the buildings, structures and improvements now or hereafter located on such land on the Higher Education Institutions that the State has designated and the Trustee has leased back to the State pursuant to the Asset Agreement. See “SECURITY AND SOURCES OF PAYMENT—The Financed Assets” and “CERTAIN RISK FACTORS—Effect of a Nonrenewal of the Lease.” The Financed Assets and any property leased pursuant to the Asset Agreement or amendments to the Asset Agreement are referred to herein as the “**Financed Assets**.” Any additional Financed Asset which the State may choose in the future to lease under the Asset Agreement or amendments thereto will secure all holders of Series 2024 Certificates under the Indenture on a parity basis. The State may substitute other property for any portion of the Financed Assets upon delivery to the Trustee of certain items as described in “SECURITY AND SOURCES OF PAYMENT—The Financed Assets—Substitution of Financed Assets.” Upon any decision of the State not to appropriate funds to pay Base Rent, the State would relinquish its right to use all the Financed Assets or any portion thereof through the term of the respective Site Leases. See “SECURITY AND SOURCES OF PAYMENT—The Financed Assets” and “BASE RENT AND SERIES 2024 CERTIFICATES PAYMENT SCHEDULE.”

### **Terms of the Series 2024 Certificates**

#### ***Payments***

Principal of and premium, if any, on the Series 2024 Certificates are payable when due upon surrender of the Series 2024 Certificates at the office of the Trustee. Interest on each Certificate shall be payable by check or draft of the Trustee mailed on or before each Interest Payment Date to the Owner thereof at the close of business on the first day of the month (whether or not such day is a Business Day) in

which such Interest Payment Date occurs (the “**Record Date**”); provided that, such interest payable to any Owner may be paid by alternative means agreed to by such Owner and the Trustee.

### ***Denominations***

The Series 2024 Certificates are deliverable in the authorized denomination of \$5,000 and integral multiples thereof.

### ***Redemption***

The Series 2024 Certificates are subject to optional, mandatory and extraordinary redemption prior to their stated maturity date under certain circumstances described herein under “THE SERIES 2024 CERTIFICATES—Redemption.”

For a more complete description of the Series 2024 Certificates, the Indenture pursuant to which such Series 2024 Certificates are being executed and delivered, see “Forms of Master Indenture, Supplemental Indenture, Asset Agreement, Site Lease and Site Sublease” attached hereto in **Appendix B**.

### **Sources of Payment for the Series 2024 Certificates**

The Series 2024 Certificates are payable solely from Base Rent annually appropriated by the State General Assembly, other Lease Revenues received by the Trustee pursuant to the Asset Agreement and other money in the Trust Estate in accordance with the terms of the Indenture. See “SECURITY AND SOURCES OF PAYMENT.” The Asset Agreement provides that the obligation of the State to pay Base Rent and Additional Rent during the Lease Term shall, subject only to the other terms of the Asset Agreement, be absolute and unconditional and shall not be abated or offset for any reason related to the Financed Assets and that, notwithstanding any dispute between the State and the Trustee or between the State or the Trustee and any other Person relating to the Financed Assets, the State shall, during the Lease Term, pay all Rent when due; the State shall not withhold any Rent payable during the Lease Term pending final resolution of such dispute and shall not assert any right of set-off or counter-claim against its obligation to pay Rent, provided, however, that the payment of any Rent shall not constitute a waiver by the State of any rights, claims or defenses which the State may assert; and no action or inaction on the part of the Trustee shall affect the State’s obligation to pay Rent during the Lease Term.

The Asset Agreement and future agreements, if any, will provide that an Event of Nonappropriation shall be deemed to have occurred, subject to the State’s right to cure described below, on June 30 of any Fiscal Year if the Colorado General Assembly has, on such date, failed, for any reason, to appropriate sufficient amounts authorized and directed to be used to pay all Base Rent scheduled to be paid and all Additional Rent estimated to be payable in the next ensuing Fiscal Year. Notwithstanding the description of an Event of Nonappropriation in the preceding sentence, an Event of Nonappropriation shall not be deemed to occur if, on or before August 15 of the next ensuing Fiscal Year, (i) the Colorado General Assembly has appropriated, or otherwise authorized the expenditure of amounts sufficient to avoid an Event of Nonappropriation as described in the preceding sentence and (ii) the State has paid all Rent due during the period from June 30 through the date of such appropriation or authorization.

If an Event of Nonappropriation has occurred, the Trustee may exercise any of the remedies described in the Asset Agreement, including the sale or lease of the Trustee’s interest in the Financed Assets. The net proceeds from the exercise of such remedies are to be applied toward the payment of the Series 2024 Certificates under the Master Indenture as described in the form of Master Indenture attached hereto in **Appendix B**. There can be no assurance that such proceeds will be sufficient to pay all the principal due on the Series 2024 Certificates.

The State has the option to terminate a Site Lease and release the related Financed Asset from the Financed Asset Agreement in connection with the defeasance of the related Series 2024 Certificates by paying the State's Purchase Option Price as described under "THE SERIES 2024 CERTIFICATES—State's Purchase Option Price." The State may also substitute other property for any portion of the Financed Assets as described in "SECURITY AND SOURCES OF PAYMENT—The Financed Assets—Substitution of Financed Assets."

Payment of Rent and all other payments under the Asset Agreement shall constitute currently appropriated expenditures of the General Assembly and may be paid solely from legally available money in the General Fund. The obligations to pay Rent and all other obligations under the Asset Agreement are subject to appropriation by the General Assembly in its sole discretion, and shall not be deemed or construed as creating an indebtedness of the State within the meaning of any provision of the State Constitution or the laws of the State concerning or limiting the creation of indebtedness of the State and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the State within the meaning of Section 3 of Article XI or Section 20(4) of Article X of the State Constitution or any other limitation or provision of the State Constitution, State statutes or other State law. In the event the State does not renew the Asset Agreement, the sole security available to the Trustee, as lessor under the Asset Agreement, shall be the Financed Assets leased under the Asset Agreement, subject to the terms of the Asset Agreement.

The Asset Agreement provides that to the extent the Act is changed at any time to increase the maximum total amounts of annual lease payments during any fiscal year under the Asset Agreement or change the amounts available from the State General Fund, such increase and new allocation amounts under the provisions of the Act will take effect without any further action by the State or the Trustee. **ACCORDINGLY, INVESTORS SHOULD NOT RELY ON ANY SPECIFIC ALLOCATION OF THE GENERAL FUND AS A SOURCE OF FUNDS FOR ANY ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY. SUCH APPROPRIATION COULD CHANGE AT ANY TIME WHILE THE SERIES 2024 CERTIFICATES ARE OUTSTANDING.**

### **Certain Risks to Owners of the Series 2024 Certificates**

Certain factors described in this Official Statement could affect the payment of Base Rent under the Asset Agreement, the value of the Financed Assets and the market price of the Series 2024 Certificates to an extent that cannot be determined at this time. Each prospective investor should read the Official Statement in its entirety to make an informed investment decision, giving particular attention to the section entitled "CERTAIN RISK FACTORS."

### **Availability of Continuing Information**

Upon delivery of the Series 2024 Series 2024 Certificates, the State will execute a Continuing Disclosure Undertaking in which it will agree, for the benefit of the owners of the Series 2024 Certificates, to file such ongoing information regarding the State as described in "CONTINUING DISCLOSURE" herein. A form of the Continuing Disclosure Undertaking is attached hereto as **Appendix C**.

### **State Economic and Demographic Information**

This Official Statement contains economic and demographic information about the State prepared and compiled by Development Research Partners for use by the State. See **Appendix H** — "CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION." Development Research Partners, Inc. has consented to the inclusion of such information in this Official Statement. The State does not assume responsibility for the accuracy, completeness or fairness of such information. The information in such Appendix has been included in the Official Statement in reliance upon the authority of Development

Research Partners, Inc. as experts in the preparation of economic and demographic analyses. Potential investors should read such Appendix in its entirety for information with respect to the economic and demographic status of the State.

### **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The quotations from, and summaries and explanations of, the statutes, regulations and documents contained herein do not purport to be complete and reference is made to said laws, regulations and documents for full and complete statements of their provisions. Copies, in reasonable quantity, of such laws, regulations and documents may be obtained during the offering period, upon request to the Underwriters at BofA Securities, Inc., Representative of the Underwriters, 333 South Hope Street, Suite 3820, Los Angeles, CA 90071, Attention: Public Finance, telephone number (213) 345-9585.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the State and the purchasers or holders of any of the Series 2024 Certificates.

## **PLAN OF FINANCING**

### **The Program**

The Series 2024 Certificates are being delivered pursuant to the Indenture and under authority granted by the Act. HB 24-1231 authorize the State Treasurer to enter into agreements for the Series 2024 Project approved by the State, provided that the maximum total amount of annual lease payments payable by the State during any Fiscal Year under the Asset Agreement is less than the maximum amount allowed by HB 24-1231. See “INTRODUCTION—Authority for Delivery” and “BASE RENT” herein.

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## Sources and Uses of Funds

The sources and uses of funds relating to the Series 2024 Certificates are set forth in the following table.

	Series 2024 Certificates
<b>SOURCES OF FUNDS:</b>	
Par amount.....	\$275,000,000
Premium.....	
<b>TOTAL SOURCES OF FUNDS .....</b>	<b>\$</b>
<b>USES OF FUNDS</b>	
Deposit to Project Account.....	\$
Capitalized Interest Account <sup>1</sup>	
For costs of issuance, including Underwriters' discount <sup>2</sup>	
<b>TOTAL USES OF FUNDS.....</b>	<b>\$</b>

<sup>1</sup> [Timing of Cap I]

<sup>2</sup> Such amount (other than the Underwriters' discount) shall be deposited to the Costs of Issuance Account and shall be used to pay costs of issuance including legal fees, rating agencies fees, printing costs and municipal advisors' fees and a deposit to the State Expense Fund. For information concerning the Underwriters' discount, see "UNDERWRITING."

## The Series 2024 Projects

HB 24-1231 provides for the funding of necessary high-priority State projects identified to create medical education programs to anticipate the perceived need to address a physician shortage, a rapidly growing population and aging physician workforce, particularly in rural and other underserved communities. HB 24-1231 prioritizes four specific projects to be funded with the proceeds of the Series 2024 Certificates, at UNC ("UNC Project"), Metro State ("Metro State Project"), CSU ("CSU Project"), and TSC ("TSC Project") (and collectively, the "Series 2024 Projects").

### UNC Project

With its main campus located in Greeley, Colorado in the northeastern portion of the State, UNC is a public, doctoral research and educational institution with approximately 9,000 students and more than 200 undergraduate and graduate programs, many of which are nationally recognized. Founded as a teacher's college in 1889, UNC graduated generations of educators, more than any other Colorado university with a culture marked by academic excellence in education, health sciences, business, the humanities and performing and visual arts.

The UNC Project, identified as the College of Osteopathic Medicine facility ("COM"), has a current budget of approximately \$200 million that includes \$127.5 million for construction consisting of: \$13,354,000 Professional Services (Architectural, Engineering, Survey, etc.); \$99,666,792 Construction Costs (Infrastructure, New GSF, Labor, etc.); \$4,295,100 Equipment & Furnishings Cost; \$3,156,038 Technology Systems; \$996,668 Art in Public Places; and, \$6,073,430 Project Contingency of 5%. UNC is currently performing pre-work, with the initial program plans and the surveys completed. UNC is using a Design/Build process for the UNC Project, and has finalized the selection of contractors to perform design, architecture, general contracting, and some self-performing trades. UNC will begin the design phase in July 2024 and intends to move forward with demolition and abatement on the existing structure on the selected site for the new facility, which is anticipated to be completed in November or early December of 2024. The current schedule anticipates new construction to begin in January 2025 and the COM to be completed in July 2026.



The proposed construction of UNC's COM is a new facility to be built on the site of the Bishop Lehr K-12 laboratory school. The school will be demolished to accommodate the construction of the COM that will be approximately 102,000 gross square feet with three floors, to serve 150 students per cohort, for a total of 600 students over a 4-year program, plus 80 faculty and staff to support the curriculum and the students.

The UNC Project is projected to include the following types of spaces: cadaveric anatomy lab; skills training lab to teach osteopathic manual therapy and physical exam skills; simulation space including 14 rooms that can serve as physician office examination rooms and 4 rooms that can be used for high tech simulation with a control room, a conference room that can accommodate 20 individuals, a lounge and locker space with a changing room for use by standardized patients; learning resource center for reserved textbooks, printer, and quiet study space; gender specific student locker rooms, with 4 private changing rooms to accommodate students uncomfortable changing in shared space; 2 adaptable classroom spaces that can accommodate 170 individuals in team-based learning pods or discussion groups; 2 additional conference rooms with capacity for up to 20 individuals; 65 offices for administration, support staff and faculty; drop down space for faculty with shared responsibilities across the university; 15 small group rooms for study and curricular delivery; student lounge; faculty lounge; meditation/prayer room; lactation room; and, additional public spaces for students to study/gather.

Specialized equipment in the UNC Project is anticipated to include: anatomy tanks with hoods; specialized HVAC system to accommodate anatomy lab; examination tables, medical equipment for the SIM (simulation) center; low fidelity models and high-fidelity simulation manikins; treatment tables for clinical skills/OMM (osteopathic manipulative medicine) lab; and, observation/control room overlooking the 4 simulation suites.

From a sustainability perspective, the UNC Project is projected to follow the High-Performance Certification Program requirements and is designed to LEED Gold at a minimum. Two prior state funded capital projects at UNC were both certified LEED Gold. The project team will evaluate the new building for inclusion of on-site solar as part of the design. UNC utilizes Energy Cap software to track and report energy usage for its buildings. In addition, provisions for charging electric vehicles will be included in the UNC Project design. UNC currently has several EV chargers on campus.

Recognized as a top university for social mobility, UNC is designated a Hispanic Serving Institution with more than 40% of its undergraduates who are the first in their family to attend college. UNC's just-right size, expert faculty, and tradition of research and hands-on learning gives students exceptional opportunities and a personalized education. UNC graduates join a network of over 130,000 alumni living and working in 50 states and 90 countries who help build communities that save and transform lives.

The UNC Board of Trustees is the governing body and is comprised of seven members appointed by the Governor, with consent of the Senate, for four-year terms; one faculty member elected by the faculty and one student member elected by the student body.

### **Metro State Project**

Located in Denver, Colorado, the Metro State Project, identified as the Health Institute Tower ("Tower"), has a current budget of \$65 million, \$50 million of which is anticipated to be funded with the proceeds of the Series 2024 Certificates, \$15 million of which is anticipated to be funded with fundraising by Metro State's foundation. The Tower will be owned and operated by Metro State and the land on which the Tower is sited will be subject to a ground lease from the Auraria Higher Education Center to Metro State. Metro State has issued requests for qualifications for design and expects to have the design team

under contract by August 2024. Internal work related to the MSU Denver Health Institute Tower has begun and proposals have been solicited for an ALTA and cultural resource survey that is planned to begin in July 2024. Solicitation for an owners representative will begin in July and August 2024 in addition to solicitation for an architecture firm (RFQ). The request for proposals for a construction management general contractor is planned to be under contract by August 2024 as well. The Metro State Project is projected to begin construction in June 2025 with construction projected to achieve final completion in August 2027.

The Tower is currently planned as a six-story building with an 11,750 square foot footprint and each floor approximately 11,000 GST, for a total of 70,000 GSF. It will be home to existing programs and will enable average enrollment growth of 25% across all 10 healthcare-focused academic departments at Metro State. The following disciplines are experiencing greater demand and will be positioned to further expand enrollment because of the additional square footage and greater efficiencies the Tower will provide: Human Services and Counseling; Social Work; Speech, Language and Hearing Sciences; Nursing and, Exercise and Sport Sciences.

According to the state's 2023 Talent Pipeline Report, health care and social assistance jobs are among the most in-demand cross-industry occupations in Colorado and the average employer in these sectors must repost jobs five times before they find the talent needed to fill the position. Colorado is facing a health care workforce shortage and MSU Denver's Health Institute is prepared to be part of the solution.

Metro State has identified an opportunity to address the urgent labor market needs by creating interdisciplinary learning spaces for aspiring health care professionals, allowing for growth of the university's programs that serve this sector.

In addition, the Tower is planned to help catalyze increased diversity in the health workforce, and advance and retain healthcare workers through interdisciplinary training, education, and industry partnerships, all while delivering health and wellness services to surrounding communities. With a student population that is 60% first-gen, 55% students of color and 78% likely to live and work in Colorado, Metro State looks to improve access to traditionally underrepresented students and provide alternative pathways to fill top job vacancies in health care.

The Health Institute plans an integrated approach to health care that centers collaboration and communication across 10 academic departments. Students within the Health Institute will benefit from interdisciplinary curriculum, research and instruction and will be trained in the same way they will deliver care upon graduation. Students will work, think, act and solve problems together as part of the education with the goal of improving the overall quality of care that Colorado patients will receive.

At the Health Institute, the university is creating a space for interdisciplinary collaboration, interprofessional specialty skills, and lab spaces supportive of a post-pandemic, activity-based design.

The 10 academic programs at the Health Institute will be: Biology; Chemistry and Biochemistry; Exercise and Sport Sciences; Health Professions; Human Services and Counseling; Nursing; Nutrition and Dietetics; Psychological Sciences; Social Work and Speech, Language, Hearing Sciences.

The Metro State Board of Trustees is the governing body and is comprised of nine members appointed by the Governor, with consent of the Senate, one faculty member elected by the faculty, one student member elected by the student body and a member representing the Metro State alumni association.

### **CSU Project**

Located in Fort Collins, Colorado, the CSU Project, identified as the Veterinary Health and Education Complex, has a current budget of \$230 million. The project includes demolition of the Large Animal Livestock Facility to make way for a 210,500 GSF addition to the existing Vet Teaching Hospital, including infrastructure and utilities and outbuildings, and including the addition of 15,000 GSF to the James L. Voss Veterinary Teaching Hospital for Large Animal Livestock Facility to be funded with \$50 million of the proceeds of the Series 2024 Certificates. The CSU Project is currently under construction and is scheduled to be substantially complete in May of 2026.

The current planning is to support a new veterinary curriculum, to house all four years of the Doctor of Veterinary Medicine (DVM) program on South Campus, to increase the DVM class size by 30 students and to provide improved clinical training with hands-on experience.

The College of Veterinary Medicine and Biomedical Sciences (CVMBS) ranks among the top three schools in the US based upon excellence in teaching, service, and research across the biomedical science and veterinary professional landscape. CVMBS recently received full re-accreditation from the American Veterinary Medical Association (AVMA) Council on Education. A detailed self-study prepared by the CVMBS leadership team identified program limitations that included aging facilities, spatial separation of students across two campus sites, and a strong but increasingly outdated curriculum structure. The Veterinary Health and Education Complex (VHEC) addresses all these limitations through new and renovated facilities that allow one educational hub for all DVM students, as well as realization of a new curriculum. A dedicated clinical research component of the VHEC will ensure that the CVMBS retains strong leadership in health care innovation.

First- and second-year students are currently educated primarily on the Main Campus, while third- and fourth-year students are educated on the South Campus. It is anticipated that increased capacity and innovative learning spaces in the VHEC will allow students in all four years of the program to learn together on one campus, facilitating peer mentorship and professional collaboration. The VHEC is planned to have a veterinary anatomy laboratory solely for DVM use, two large lecture halls and numerous learning spaces (e.g. simulation space, laboratories, meeting rooms) for small to medium size group learning. The planned new and renovated facilities are anticipated to enhance hands-on and practical training, encourage clinical reasoning and critical thinking, and provide real-world simulated and live clinical experiences.

The CSU Board of Governors is the governing body and is comprised of nine members appointed by the Governor, with consent of the Senate, for four-year terms; and six non-voting members consisting of a faculty member elected by the faculty and a student member from each of the three system campuses.

### **TSC Project**

Located in the southeastern part of Colorado with campuses in Trinidad and Alamosa, the TSC Project on the Alamosa campus, identified as the Valley Campus Main Building Addition & Renovation, has a current budget of \$19,394,064. The TSC Project will add a net 14,511 GSF to the existing building footprint for a total 66,999 GSF. An RFP for a design build general contractor is planned for the Summer of 2024. The TSC Project is projected to begin construction in the summer of 2025 and to complete construction in the summer of 2026.

The TSC Project plans to include a two-story addition with a main building entrance and north wing entrance, moving critical allied health programs into the building and increasing TSC's capacity to deliver these programs--including nursing, emergency medical technicians, dental assisting, and medical assisting. The project will also relocate critical student services to a main entry ground level location, which

will serve TSC students and visitors more visibly and effectively. The project will also add additional student life spaces, offices for administration and faculty, and create a large assembly space. The TSC Project will also address the critical need for mechanical upgrades, including building envelope and HVAC improvements, to provide a more comfortable learning environment for students, faculty and staff.

The original Valley Campus Main Building in Alamosa was built in 1936 with subsequent building additions in 1998-1999 and 2015. The last major renovation of the Valley Campus Main Building was in 1998-1999, more than 23 years ago.

Established in 1925 as the first community college in Colorado, TSC is designated a Hispanic Serving Institution with more than 56% of its undergraduates who are the first in their family to attend college.

The State Board of Community Colleges and Occupational Education (SBCCOE) is the governing body for TSC and is comprised of 12 members. Ten members are appointed by the Governor and confirmed by the State Senate, with one member from each congressional district plus two at large members—all with staggered four-year terms. The remaining two seats on the SBCCOE are held by a community college faculty member and student representative who serve in non-voting capacities for one year each.

## **THE SERIES 2024 CERTIFICATES**

### **Generally**

General information describing the Series 2024 Certificates appears elsewhere in this Official Statement. That information should be read in conjunction with this summary, which is qualified in its entirety by the forms of the Master Indenture, Supplemental Indenture, the Site Lease, the Site Sublease and the Asset Agreement all as attached hereto in **Appendix B** hereto.

The Series 2024 Certificates will be dated as of the date of their delivery and will mature and bear interest (calculated based on a 360-day year of twelve 30-day months) payable on November 1, 2024, and semi-annually thereafter on May 1 and November 1 of each year and as further described on the inside cover page of this Official Statement. Principal and premium, if any, is payable when due upon surrender of the Series 2024 Certificates at the office of the Trustee. The Series 2024 Certificates will be executed and delivered as fully registered Series 2024 Certificates in the denomination of \$5,000 or any integral multiple thereof.

### **Book-Entry System**

The Series 2024 Certificates will be in fully registered form (i.e., registered as to payment of both principal and interest) and will be registered initially in the name of Cede & Co., as nominee of DTC, which will serve as securities depository for the Series 2024 Certificates. Beneficial Ownership Interests in the Series 2024 Certificates, in non-certificated book-entry-only form, may be purchased in authorized denominations of \$5,000 or any integral multiple thereof by or through DTC Participants. Beneficial Ownership Interests will be recorded in the name of the Beneficial Owners on the books of the DTC Participants from whom they are acquired, and transfers of such Beneficial Ownership Interests will be accomplished by entries made on the books of the DTC Participants acting on behalf of the Beneficial Owners. References herein to the Owners of the Series 2024 Certificates mean Cede & Co. or such other nominee as may be designated by DTC, and not the Beneficial Owners. For a more detailed description of the DTC book-entry system, see **Appendix J**—“DTC BOOK-ENTRY SYSTEM.”

Principal and interest payments with respect to the Series 2024 Certificates will be payable by the Trustee, as paying agent for the Series 2024 Certificates, to Cede & Co., as the Owner of the Series 2024 Certificates, for subsequent credit to the accounts of the Beneficial Owners as discussed in **Appendix J—“DTC BOOK-ENTRY SYSTEM.”**

*None of the Trustee, the State or the Underwriters has any responsibility or obligation to any Beneficial Owner with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2024 Certificates under the Indenture, (3) the payment by DTC or any DTC Participant of any amount received under the Indenture with respect to the Series 2024 Certificates, (4) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2024 Certificates or (5) any other related matter.*

## **Redemption**

### ***Optional Redemption***

The Series 2024 Certificates are subject to redemption at the option of the State, in whole or in part and if in part in Authorized Denominations from the remaining maturities bearing interest at the same rates designated by the State and by lot within any remaining maturity bearing interest at the same rate designated for redemption, on any date on and after November 1, 20\_\_, at a redemption price equal to the principal amount of the Series 2024 Certificates to be redeemed (with no premium), plus accrued interest to the redemption date.

### ***Mandatory Sinking Fund Redemption***

The Series 2024 Certificates maturing on November 1, 20\_\_ are subject to mandatory sinking fund redemption on November 1 of the years and in the principal amounts set forth below at a redemption price equal to the principal amount thereof (with no premium), plus accrued interest to the redemption date.

<b>Mandatory Sinking Fund Redemption Date</b>	<b>Principal Amount</b>
<b><u>(November 1)</u></b>	
20__	\$
20__	
20__	
20__	
20__*	

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\* Maturity date

The State may, at its option, to be exercised on or before the forty-fifth day next preceding each mandatory sinking fund redemption date, (i) deliver to the Trustee for cancellation any Series 2024 Certificates with the same maturity date as the Series 2024 Certificates subject to such mandatory sinking fund redemption and (ii) receive a credit in respect of its mandatory sinking fund redemption obligation for any Series 2024 Certificates with the same maturity date as the Series 2024 Certificates subject to such mandatory sinking fund redemption which prior to such date have been redeemed (otherwise than by mandatory sinking fund redemption) and cancelled and not theretofore applied as a credit against any mandatory sinking fund redemption obligation. Each Series 2024 Certificate so delivered or previously

redeemed shall be credited at the principal amount thereof to the mandatory sinking fund redemption obligation on the mandatory sinking fund redemption dates by lot, and the principal amount of Series 2024 Certificates to be redeemed as part of such mandatory sinking fund redemption on such dates shall be accordingly reduced.

***Extraordinary Redemption upon Occurrence of Event of Nonappropriation or Event of Default***

The Series 2024 Certificates shall be redeemed in whole, on such date(s) as the Trustee may determine to be in the best interest of the Owners, upon the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under the Lease, at a redemption price equal to the lesser of: (i) the principal amount of the Series 2024 Certificates (with no premium), plus accrued interest, if any, to the redemption date or (ii) the sum of (A) the amount, if any, received by the Trustee from the exercise of remedies under the Asset Agreement with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default under the Asset Agreement that gave rise to such redemption and (B) the other amounts available in the Trust Estate for payment of the redemption price of the Series 2024 Certificates that are subject to redemption upon the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under the Asset Agreement, which amounts shall be allocated among the Series 2024 Certificates that are subject to redemption upon the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under the Asset Agreement in proportion to the principal amount of each such Certificate. The payment of such redemption price of any Certificate pursuant to the related supplemental indenture shall be deemed to be the payment in full of such Certificate, and no Owner of any Certificate redeemed pursuant to this redemption provision shall have any right to any payment from the Trustee or the State in excess of such redemption price.

In addition to any other notice required to be given under the Indenture, the Trustee shall, promptly upon the occurrence of an Event of Nonappropriation or Event of Default under the Asset Agreement, notify the Owners of the Series 2024 Certificates that are subject to redemption upon the occurrence and continuation of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under such Lease (i) that such event has occurred and (ii) whether or not the funds then available to it for such purpose are sufficient to pay the redemption price thereof. If the funds then available to the Trustee are sufficient to pay the redemption price, such redemption price shall be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the redemption price of the Series 2024 Certificates, the Trustee shall (a) promptly pay the portion of the redemption price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Leases, (b) subject to the applicable provisions of the Indenture, promptly begin to exercise and diligently pursue all remedies available to it under the Asset Agreement in connection with such Event of Nonappropriation or Event of Default and (c) pay the remainder of the redemption price, if any, if and when funds become available to the Trustee from the exercise of such remedies.

***Notice of Redemption***

Notice of the call for any redemption, identifying the Series 2024 Certificates or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by United States first-class mail, at least 30 days prior to the date fixed for redemption, and to the Owner of each Certificate to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings of any Series 2024 Certificates as to which no such failure has occurred. Any notice mailed as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice. If at the time of mailing of notice of redemption there shall not have been deposited with the Trustee money sufficient to redeem all the Series 2024 Certificates called



for redemption, which money are or will be available for redemption of Series 2024 Certificates, such notice will state that it is conditional upon the deposit of the redemption money with the Trustee not later than the redemption date, and such notice shall be of no effect unless such money are so deposited.

### ***Redemption Payments***

On or prior to the date fixed for redemption, the Trustee is required to apply funds to the payment of the Series 2024 Certificates called for redemption. The Trustee is required to pay to the Owners of Series 2024 Certificates so redeemed, the amounts due on the Series 2024 Certificates at the Operation Center of the Trustee upon presentation and surrender of the Series 2024 Certificates.

### **BASE RENT AND SERIES 2024 CERTIFICATES PAYMENT SCHEDULE**

The following table sets forth the State's Base Rent obligations in connection with the Asset Agreement (which also constitutes the payment schedule for the Series 2024 Certificates), assuming that the Asset Agreement is renewed by the State for the full Term and that there is no prior redemption or defeasance of Series 2024 Certificates other than mandatory sinking fund redemptions.

#### **Base Rent Obligations\*** (Totals may not add due to rounding)

<b>Fiscal Year (June 30)</b>	<b>Base Rent Series 2024 Certificates</b>		<b>Total Net Base Rent</b>
	<b>Principal Component<sup>1</sup></b>	<b>Interest Component<sup>1</sup></b>	
2025	--	--	\$
2026	\$	\$	
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
	<hr/> \$275,000,000 <hr/>		<hr/> \$ <hr/>

<sup>1</sup> There will be credited against the amount of Base Rent otherwise payable under the Lease the amount on deposit in the Certificate Fund that is not restricted by the Indenture to the payment of the redemption price of Series 2024 Certificates or the costs of defeasing Series 2024 Certificates.

\* Preliminary, subject to change.

## SECURITY AND SOURCES OF PAYMENT

### Payments by the State

Each Certificate evidences undivided interests in the right to receive Financed Asset Agreement Revenues pursuant to the Asset Agreement, including: (i) the Base Rent; (ii) the State's Purchase Option Price, if paid (including any Net Proceeds used to pay the State's Purchase Option Price); (iii) all moneys and securities from time to time held by the Trustee under the Indenture in the Certificate Fund, the Capital Construction Fund and the State Expense Fund (but not the Rebate Fund or any defeasance escrow account); and (iv) any and all other property, revenues or funds to which the Trustee may be entitled for the benefit of the Owners. All payment obligations of the State under the Asset Agreement, including but not limited to payment of Base Rent, are from year to year only and do not constitute a mandatory obligation or requirement in any year beyond the State's then current fiscal year. All covenants, stipulations, promises, agreements and obligations of the State or the Trustee, as the case may be, contained in the Asset Agreement are the covenants, stipulations, promises, agreements and obligations of the State or the Trustee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the State or the Trustee in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the State or the Trustee or any natural person executing the Asset Agreement or any related document or instrument; provided that such person is acting within the scope of his or her employment, membership, directorship office, or agency, as applicable, and not in a manner that constitutes gross negligence or willful misconduct.

As more fully described under the captions "CERTAIN RISK FACTORS" and in the form of the Asset Agreement attached hereto in **Appendix B**, following an Event of Nonappropriation, the Lease Term of the Asset Agreement will terminate on June 30 of any Fiscal Year in which the Event of Nonappropriation occurs.

Under the Act and HB 24-1231, Base Rent and Additional Rent must be paid from the amounts on deposit in the General Fund. There is no obligation of the State to appropriate General Fund revenues for purposes of paying Base Rent or Additional Rent under the Asset Agreement. See "STATE FINANCIAL INFORMATION," and **Appendices A, E, F, and I** hereto.

PAYMENT OF RENT AND ALL OTHER PAYMENTS UNDER THE ASSET AGREEMENT CONSTITUTE CURRENTLY APPROPRIATED EXPENDITURES OF THE STATE AND MAY BE PAID SOLELY FROM LEGALLY AVAILABLE MONEY IN THE GENERAL FUND OR OTHER LEGALLY AVAILABLE SOURCES. THE OBLIGATIONS TO PAY RENT AND ALL OTHER OBLIGATIONS UNDER THE ASSET AGREEMENT ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY IN ITS SOLE DISCRETION, AND SHALL NOT BE DEEMED OR CONSTRUED AS CREATING AN INDEBTEDNESS OF THE STATE WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR THE LAWS OF THE STATE CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS OF THE STATE AND SHALL NOT CONSTITUTE A MULTIPLE FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 3 OF ARTICLE XI OR SECTION 20(4) OF ARTICLE X OF THE STATE CONSTITUTION OR ANY OTHER LIMITATION OR PROVISION OF THE STATE CONSTITUTION, STATE STATUTES OR OTHER STATE LAW. IN THE EVENT THE STATE DOES NOT RENEW THE ASSET AGREEMENT, THE SOLE SECURITY AVAILABLE TO THE TRUSTEE, AS LESSOR UNDER THE ASSET AGREEMENT, SHALL BE THE FINANCED ASSET LEASED UNDER THE ASSET AGREEMENT, SUBJECT TO THE TERMS OF THE ASSET AGREEMENT. THE STATE'S OBLIGATIONS UNDER THE ASSET AGREEMENT SHALL BE SUBJECT TO THE STATE'S ANNUAL RIGHT TO



TERMINATE THE ASSET AGREEMENT UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION. SEE “CERTAIN RISK FACTORS—OPTION TO RENEW THE ASSET AGREEMENT ANNUALLY.”

[The State has already appropriated sufficient funds from the General Fund to pay (i) the Base Rent payable in Fiscal Year 2024-25, and (ii) the Additional Rent estimated to be payable in such Fiscal Year to the extent the State does not expect to pay such amount from the State Expense Fund.]

### **Financed Asset Agreement Term**

The term of the Asset Agreement is comprised of the Initial Term commencing on the date the Asset Agreement is executed and delivered and ending on June 30 of that Fiscal Year and successive one-year Renewal Terms, subject to the provisions described below. The Term of the Asset Agreement shall expire upon the earliest of any of the following events: (a) the last day of the month in which the final Base Rent payment is scheduled to be paid in accordance with the Asset Agreement; (b) June 30 of the Initial Term or June 30 of any Renewal Term during which, in either case, an Event of Nonappropriation has occurred; (c) the purchase of all the Financed Asset by the State pursuant to the Asset Agreement; or (d) termination of the Asset Agreement following an Event of Default in accordance with the Asset Agreement. Notwithstanding the preceding sentence, an Event of Nonappropriation shall not be deemed to occur if, on or before August 15 of the next ensuing Fiscal Year, (i) the Colorado General Assembly has appropriated or otherwise authorized the expenditure of amounts sufficient to avoid an Event of Nonappropriation as described in the preceding sentence and (ii) the State has paid all Rent due during the period from June 30 through the date of such appropriation.

Upon termination of the Financed Asset Agreement, all unaccrued obligations of the State under the Asset Agreement shall terminate, but all obligations of the State that have accrued thereunder prior to such termination shall continue until they are discharged in full; and if the termination occurs because of the occurrence of an Event of Nonappropriation or an Event of Default, the State’s right to possession of the Financed Assets thereunder shall terminate and (i) the State shall, within 90 days, vacate the Financed Assets; and (ii) if and to the extent the Colorado General Assembly has appropriated funds for payment of Rent payable during, or with respect to the State’s use of the Financed Assets during, the period between termination of the Financed Asset Agreement Term and the date the Financed Assets are vacated pursuant to clause (i), the State shall pay Base Rent to the Trustee and Additional Rent to the Person entitled thereto. If the termination occurs because of the occurrence of an Event of Nonappropriation or an Event of Default, the Trustee will be entitled to exercise certain remedies with respect to the Financed Assets as further described in the forms of the Indenture, the Site Sublease and the Asset Agreement.

### **Nonrenewal of the Finance Asset Agreement Term**

The State is not permitted to renew the Asset Agreement with respect to less than all the Financed Assets. Accordingly, a decision not to renew the Asset Agreement would mean the loss of the use by the State of all the Financed Assets. However, the Indenture and the Asset Agreement permit the State to purchase the Financed Assets in connection with the defeasance of all the Series 2024 Certificates, as described in “THE SERIES 2024 CERTIFICATES—State’s Purchase Option Price.”

Upon a nonrenewal of the Asset Agreement Term by reason of an Event of Nonappropriation or an Event of Default and so long as the State has not exercised its purchase option with respect to all the related Financed Assets, the State is required to vacate the Financed Assets within 90 days. The Trustee may proceed to exercise any remedies available to the Trustee for the benefit of the Owners of the Series 2024 Certificates and may exercise any other remedies available upon default as provided in the Asset

Agreement, including the sale of or lease of the Trustee's interest under the Site Sublease. See "CERTAIN RISK FACTORS."

The Asset Agreement place certain limitations on the availability of money damages against the State as a remedy in an Event of Default or an Event of Nonappropriation. For example, such Asset Agreement provides that a judgment requiring a payment of money may be entered against the State by reason of an Event of Nonappropriation only to the extent the State fails to vacate the Financed Assets as required by the Asset Agreement and only as to certain liabilities as described in the Asset Agreement. All property, funds and rights acquired by the Trustee upon the nonrenewal of the Asset Agreement, along with other money then held by the Trustee under the Indenture (with certain exceptions and subject to certain priorities as provided in the Leases and the Indenture), are required to be used to redeem the related Series 2024 Certificates, if and to the extent any such money are realized. See "CERTAIN RISK FACTORS."

## **The Financed Assets**

### *Generally*

Pursuant to HB 24-1231, the Treasurer has determined the 2024 Financed Assets that consists of approximately all or portions of four buildings and facilities located throughout Colorado in four different locations. See "THE SERIES 2024 CERTIFICATES—Additional Series of Series 2024 Certificates." See **Appendix G**—"LEGAL DESCRIPTIONS FOR THE FINANCED ASSETS" for a description of the Financed Assets subject to the Site Sublease between the Trustee and the State.

The Financed Assets consists of the property leased by the Trustee to the State pursuant to the Asset Agreement. As described above, the State is not permitted to renew the Asset Agreement with respect to less than all the Financed Assets and a decision not to renew the Asset Agreement would mean a loss of all the Financed Assets subject thereto for the State unless the purchase option for all the Financed Assets have been exercised by the State. See "THE SERIES 2024 CERTIFICATES—State's Purchase Option Price." The State may make substitutions of Financed Assets in accordance with the terms of the Asset Agreement as described in "Substitution of Financed Assets" under this caption. **Owners of the Series 2024 Certificates should not assume that it will be possible to foreclose upon or otherwise dispose of the Financed Assets, or any portion thereof, for an amount equal to the respective principal amounts of the Series 2024 Certificates plus accrued interest thereon. See "CERTAIN RISK FACTORS—Effect of Nonrenewal of the Asset Agreement" for a description of some of the factors that may impact the value of the Financed Assets.**

### *State's Purchase Option*

The Asset Agreement grants the State the option to purchase all, but not less than all, of the related Financed Assets in connection with the defeasance of all the related Series 2024 Certificates by paying to the Trustee the "State's Purchase Option Price," subject to compliance with all conditions to the defeasance of the related Series 2024 Certificates under the Indenture, including, but not limited to, the receipt of an opinion of Bond Counsel that the defeasance will not cause an Adverse Tax Event. For purposes of a purchase of all the Financed Assets as described in this paragraph, the "State's Purchase Option Price" is an amount sufficient (i) to defease all the related Series 2024 Certificates in accordance with the defeasance provisions of the Indenture and (ii) to pay all Additional Rent payable through the date on which the Financed Asset is conveyed to the State or its designee pursuant to the Indenture, including, but not limited to, all fees and expenses of the Trustee relating to the conveyance of the Financed Asset and the payment, redemption or defeasance of the Outstanding related Series 2024 Certificates; provided, however, that (A) the State's Purchase Option Price shall be reduced by the money, if any, in the funds and accounts created under the Master Indenture (except the Rebate Fund and any existing defeasance escrows accounts

established pursuant to the Section 9.01 of the Master Indenture) that are available for deposit in the defeasance escrow account established pursuant to Section 9.01 of the Master Indenture for the Series 2024 Certificates; and (B) if any Series 2024 Certificates have been paid, redeemed or defeased with the proceeds of another Series of Certificates, in applying this subsection, Outstanding Certificates of the Series of Certificates the proceeds of which were used to pay, redeem or defease the Series 2024 Certificates shall be substituted for the Series 2024 Certificates that were paid, redeemed or defeased, which substitution shall be accomplished in any reasonable manner selected by the State in its sole discretion.

In order to exercise its option to purchase the Financed Assets as described in the previous paragraph, the State must: (i) give written notice to the Trustee (A) stating that the State intends to purchase the Financed Asset as described in the previous paragraph, (B) identifying the source of funds it will use to pay the State's Purchase Option Price, and (C) specifying a closing date for such purpose which is at least 30 and no more than 90 days after the delivery of such notice; and (ii) pay the State's Purchase Option Price to the Trustee in immediately available funds on the closing date.

#### ***Substitution of Financed Assets***

The State is permitted under the Asset Agreement to substitute other property any portion of a Financed Asset upon delivery to the Trustee of the items listed below. Upon delivery thereof, the Trustee shall execute and deliver any documents or instruments requested by the State to accomplish the substitution. The items are:

(a) A certificate by the State certifying that, following such substitution, either (i) the Fair Market Value of the substituted property, determined as of the date of substitution, is equal to or greater than the Fair Market Value of the property for which it is substituted; or (ii) the Fair Market Value of all the Financed Assets will be at least equal to the principal amount of the Outstanding Series 2024 Certificates, both determined as of the date the substitution occurs.

(b) A title insurance policy, an amendment or supplement to a previously issued title insurance policy or a commitment to issue such a policy, amendment or supplement that would allow the State to make the title insurance representations set forth in the form of Project Account requisition attached as Appendix A to the Supplemental Indenture.

(c) A certificate by the State certifying that (i) the useful life of the substituted property extends to or beyond the final maturity of the Series 2024 Certificates, and (ii) the substituted property is at least as essential to the State as the property for which it was substituted.

(d) An opinion of Bond Counsel to the effect that such substitution is permitted by this Financed Asset Agreement and will not cause the State to violate its tax covenant set forth in Section 8.04 of the Asset Agreement.

#### ***Release of Portions of the Financed Asset***

When the principal component of Base Rent paid by the State, plus the principal amount of any Series 2024 Certificates redeemed through optional redemption, or the total principal amount of Series 2024 Certificates paid or deemed to be paid pursuant to the Master Indenture, equals the amount set forth in Exhibit C of the Asset Agreement, the cost of the corresponding portion of the Financed Assets set forth in Exhibit C (or of any property substituted for such portion of the Financed Assets pursuant to any provision of the Asset Agreement) shall be deemed to have been fully amortized, and the Trustee shall execute and deliver to the State all documents necessary and prepared by or on behalf of the State to release such portion of the Financed Assets from the provisions of the Site Sublease and the Asset Agreement (or any property

substituted for such portion of the Financed Assets pursuant to any provision of the Asset Agreement) and the lien thereon granted to the Trustee pursuant to the Master Indenture; provided, however, that the Fair Market Value of the remaining Financed Assets shall be at least equal to 90% of the aggregate principal amount of the Series 2024 Certificates Outstanding at the time of such release, as certified in writing by the State. Such certifications of the State of the Fair Market Value of the remaining Financed Assets may be based on and given in reliance upon certifications by the State as to the Fair Market Value of the Financed Assets.

It is currently contemplated that the Financed Asset will be released, as described above, and as set forth in the Release Schedule, Exhibit \_\_ of the Asset Agreement, when the principal component of Base Rents paid by the State, plus the principal amount of Series 2024 Certificates redeemed through optional redemption, or the total principal amount of Series 2024 Certificates paid or deemed to be paid, totals the amount set forth below, the corresponding portion of the Financed Asset will be deemed amortized and will be released from the lien of the applicable Site Lease and the Site Sublease, the Asset Agreement and the Master Indenture, provided, however, that the State certifies in writing that the Fair Market Value of the remaining Financed Asset will be at least equal to 90% of the aggregate principal amount of the Series 2024 Certificates Outstanding at the time of such release. The schedule for the release of the Financed Assets shall be as set forth in Exhibit C of the Asset Agreement [or replicate the schedule here].

Upon such release of a portion of the Financed Assets, the Trustee shall execute and deliver to the State all documents necessary or appropriate and prepared by or on behalf of the State to convey the Trustee's respective interests in such portion of the Financed Assets to the State or the State's designee, free of all restrictions and encumbrances imposed or created by the Asset Agreement, the Site Sublease or the Indenture, in substantially the manner provided for in the Asset Agreement. After such release and conveyance, the property so released and conveyed shall no longer be a part of the Financed Assets for any purpose of the Asset Agreement, the applicable Site Lease, the Site Sublease or the Indenture. The Trustee shall fully cooperate with the State in executing, delivering, and recording, at the State's expense, such documents as may be necessary to effectuate the provisions of the Asset Agreement.

### ***Insurance***

The Financed Assets are required to be insured by the State as described in "CERTAIN RISK FACTORS—Insurance of the Financed Assets," and the insurance proceeds are required to be applied by the Trustee as described in the form of the Asset Agreement "—Damage, Destruction and Condemnation," in **Appendix B**.

## **CERTAIN RISK FACTORS**

THE PURCHASE AND OWNERSHIP OF THE SERIES 2024 CERTIFICATES ARE SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE SERIES 2024 CERTIFICATES SHOULD READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY, GIVING PARTICULAR ATTENTION TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2024 CERTIFICATES AND COULD ALSO AFFECT THE MARKET PRICE OF THE SERIES 2024 CERTIFICATES TO AN EXTENT THAT CANNOT BE DETERMINED.

### **Option to Renew the Asset Agreement Annually**

The obligation of the State, as lessee, to make payments under the Asset Agreement does not constitute an obligation of the State to apply their respective general resources beyond the current fiscal year. The State is not obligated to pay Base Rent or Additional Rent under the Asset Agreement unless

each year funds are appropriated by the Colorado General Assembly, notwithstanding the fact that sufficient funds may or may not be available for transfer from any other source. If, on or before June 30 of each Fiscal Year, the Colorado General Assembly does not specifically appropriate amounts sufficient to pay all Base Rent and Additional Rent, as estimated, for the next Fiscal Year, then an “Event of Nonappropriation” will occur. If an Event of Nonappropriation occurs, as described above or otherwise as provided in the Asset Agreement, the Term of the Asset Agreement will be terminated. Notwithstanding the foregoing, an Event of Nonappropriation shall not be deemed to occur if, on or before August 15 of the next ensuing Fiscal Year, (i) the Colorado General Assembly has appropriated, allocated or otherwise authorized the expenditure of amounts sufficient to avoid an Event of Nonappropriation; and (ii) the State has paid all Rent due during the period from June 30 through the date of such appropriation, allocation or authorization. See the form of Asset Agreement “– Event of Nonappropriation,” in **Appendix B**.

There is no assurance that the State will renew the Asset Agreement from fiscal year to fiscal year and therefore not terminate the Asset Agreement, and the State has no obligation to do so. There is no penalty to the State (other than loss of the use of the Financed Assets) if the State does not renew the Asset Agreement on an annual basis and therefore terminates all its obligations under the Asset Agreement. Various political and economic factors could lead to the failure to appropriate or budget sufficient funds to make the required payments under the Asset Agreement, and prospective investors should carefully consider any factors which may influence the budgetary process. The appropriation or allocation of funds may be affected by the continuing need of the State for the Financed Assets. In addition, the ability of the State to maintain adequate revenues for its operations and obligations in general (including obligations associated with the Asset Agreement) is dependent upon several factors outside the State’s control, such as the economy, legislative changes and federal funding. Restrictions imposed under the State Constitution on the State’s revenues and spending apply to the collection and expenditure of certain revenues that may be used to pay Base Rent and Additional Rent, and also may impact the ability of the State to appropriate or allocate sufficient funds to pay Base Rent and Additional Rent each year. See “SECURITY AND SOURCES OF PAYMENT,” “STATE FINANCIAL INFORMATION” and **Appendices A, E, F and I** hereto.

Payment of the principal of and interest, if any, on the Series 2024 Certificates upon the occurrence of an Event of Default or an Event of Nonappropriation will be dependent upon (1) the value of the Financed Assets in a liquidation proceeding instituted by the Trustee or (2) any rental income from leasing (to others) the Financed Assets. See “Effect of a Nonrenewal of the Asset Agreement” under this caption.

The State is not permitted to renew the Asset Agreement with respect to less than all the Financed Assets. Accordingly, a decision not to renew the Asset Agreement would mean the loss of the use of all the Financed Assets by the State. See “SECURITY AND SOURCES OF PAYMENT—The Financed Assets.”

The Trustee, as Lessor or Trustee, has no obligation to, nor will it make any payment on the Series 2024 Certificates or otherwise pursuant to the Asset Agreement except to the extent of amounts in the Trust Estate under the Indenture.

## **Effect of a Nonrenewal of the Asset Agreement**

### ***General***

In the event of nonrenewal of the State’s obligations under the Asset Agreement upon the occurrence of an Event of Nonappropriation or an Event of Default under the Asset Agreement, the State is required to vacate the Financed Assets under the Asset Agreement. The Trustee may proceed to lease the Financed Assets or any portion thereof, including the sale of an assignment of the Trustee’s interest



under the Site Sublease, or exercise any other remedies available to the Trustee for the benefit of the Owners and may exercise one or any combination of the remedies available upon default as provided in the Indenture and the Asset Agreement. The Asset Agreement places certain limitations on the availability of money damages against the State as a remedy. For example, the Asset Agreement provides that a judgment requiring a payment of money may be entered against the State by reason of an Event of Nonappropriation only to the extent the State fails to vacate the Financed Assets as required by the Asset Agreement and only as to certain liabilities as described in such Asset Agreement. All property, funds and rights acquired by the Trustee upon the nonrenewal of the Asset Agreement, along with other money then held by the Trustee under the Indenture (with certain exceptions as provided in the Asset Agreement and the Indenture), are required to be used to redeem the Series 2024 Certificates, if and to the extent any such money are realized. See the form of Asset Agreement “—Events of Default” and “—Remedies on Default” in **Appendix B** and “THE SERIES 2024 CERTIFICATES—Redemption—*Extraordinary Redemption*.”

The money derived by the Trustee from the exercise of the remedies described above may be less than the aggregate principal amount of the Outstanding Series 2024 Certificates and accrued interest thereon. If any Series 2024 Certificates are redeemed subsequent to a termination of the Asset Agreement for an amount less than the aggregate principal amount thereof and accrued interest thereon, such partial payment will be deemed to constitute a redemption in full of such Series 2024 Certificates pursuant to the Indenture; and upon such a partial payment, no owner of any Certificate will have any further claims for payment upon the State or the Trustee. Further, owners of Series 2024 Certificates who purchase such Series 2024 Certificates at a premium should be aware that the unamortized premium of such Series 2024 Certificates are not payable under the Indenture in the event of an extraordinary redemption due to an Event of Nonappropriation or an Event of Default.

#### ***Factors Affecting Value of Financed Assets***

A potential purchaser of the Series 2024 Certificates should not assume that it will be possible to sell, lease or sublease the Financed Assets or any portion thereof after a termination of the Lease Term for an amount equal to the aggregate principal amount of the Series 2024 Certificates then Outstanding plus accrued interest thereon. This may be due to the inability to recover certain of the costs incurred in connection with the execution and delivery of the Series 2024 Certificates or the acquisition of the Financed Assets. The valuation of the Financed Assets has not been based on any independent third-party appraisal or evaluation. See “SECURITY AND SOURCES OF PAYMENT—The Financed Asset.”

The value of the Financed Assets could also be adversely affected by the presence, or even by the alleged presence of, hazardous substances. **As reflected in the footnotes to Appendix G, environmental site assessments (“ESAs”) have been prepared in connection with certain properties included as Financed Assets. Copies of the ESAs are available upon request by contacting LoriAnn Knutson or Xan Serocki in the Office of the Colorado Attorney General at [LoriAnn.Knutson@coag.gov](mailto:LoriAnn.Knutson@coag.gov) or [Xan.Serocki@coag.gov](mailto:Xan.Serocki@coag.gov).**

Present or future zoning requirements, restrictive covenants or other land use regulations may also restrict use of the Financed Assets. Further, a portion of Financed Assets are located in areas of the State with lower population and commercial densities, which could have a detrimental effect on the Trustee’s efforts to liquidate such properties. The State may also substitute other property for certain Financed Assets as described in “SECURITY AND SOURCES OF PAYMENT—The Financed Assets—*Substitution of Financed Assets*.”

The Trustee may only be able to lease certain Financed Assets to a lessee that will continue to use it for certain restricted purposes. Such restrictions may limit the Trustee’s ability to obtain lease revenues for Owners in the event of nonrenewal of the State’s obligations under the Asset Agreement.

Upon termination of the Asset Agreement, there is no assurance of any payment of the principal of Series 2024 Certificates by the State or the Trustee.

Payment of the principal of and interest on the Series 2024 Certificates is paid from the State's payment of the Base Rent and other sources identified in "SECURITY AND SOURCES OF PAYMENT," which sources do not include any payments generated from the Financed Assets, other than the Base Rent. The State is not permitted to renew the Asset Agreement or any of them with respect to less than all the Financed Assets. Accordingly, a decision not to renew the Asset Agreement would mean the loss of use by the State of all the Financed Assets. Investors should be aware that value of the Financed Assets could be affected if there are design or construction defects in any of the buildings subject to the Asset Agreement.

### **Completion of Construction**

Management and direction of the planning, development and construction of each of the Series 2024 Projects lies with the respective Higher Education Institution. The State has no role in or control of the construction of the Series 2024 Projects. Delays in procuring materials, contracting for goods and services or lack of availability of goods or services are beyond the control of the State and may cause construction delays or work stoppages for any one or more of the Series 2024 Projects. Investors should be aware that value of any Series 2024 Projects comprising the Financed Assets could be affected if there are design or construction delays with any of the buildings subject to the Indenture and Asset Agreement.

### **Enforceability of Remedies**

Under the Asset Agreement, the Trustee has the right to take possession of and dispose of the Financed Assets upon an Event of Nonappropriation or an Event of Default. However, the enforceability of the Asset Agreement is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, and the police powers of the State. Because of the inherent police power of the State, a court in any action brought to enforce the remedy of the Trustee to take possession of the Financed Assets may delay repossession for an indefinite period, even though the lessee may be in default under the Asset Agreement. The right of the Trustee to obtain possession of the Financed Assets and to sell, lease or sublease portions of the Financed Assets could be delayed until appropriate alternative space is obtained by the State. As long as the Trustee is unable to take possession of the Financed Assets, it will be unable to sell or re-lease the Financed Assets as permitted under the Asset Agreement and the Indenture or to redeem or pay the Series 2024 Certificates except from funds otherwise available to the Trustee under the Indenture. See "SECURITY AND SOURCES OF PAYMENT."

### **Effects on the Series 2024 Certificates of a Nonrenewal Event**

Bond Counsel has expressed no opinion as to the effect of any termination of the State's obligations under the Asset Agreement under certain circumstances as provided in the Asset Agreement upon the treatment for federal or State income tax purposes of any money received by the Owners of the Series 2024 Certificates, subsequent to such termination. See "TAX MATTERS." If the Asset Agreement is terminated and the subject property is re-let to a lessee that is not a governmental entity, there is no assurance that the Series 2024 Certificates will be transferable without registration, or a transactional exemption from registration, under the federal securities law following the termination of the Asset Agreement.

### **Insurance of the Financed Assets**

The Asset Agreement requires that the State shall pay as Additional Rent, all the expenses with respect to casualty and property damage insurance with respect to the Financed Assets in an amount equal

to the current replacement value of the Financed Assets. The Asset Agreement also requires that the State shall pay as Additional Rent, all of the expenses with respect to public liability insurance with respect to the activities to be undertaken by the State in connection with the Financed Assets subject to the Asset Agreement: (1) to the extent such activities result in injuries for which immunity is available under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, or any successor statute, in an amount not less than the amounts for which the State may be liable to third parties thereunder and (2) for all other activities, in an amount not less than \$1,000,000 per occurrence. The Asset Agreement requires the State to make the same Additional Rent payments with respect to insurance but permits the State, in its discretion, to have the required insurance coverage provided by the State and to have such required insurance provided under blanket insurance policies or through the State's risk management program. See "LITIGATION, GOVERNMENTAL IMMUNITY AND SELF-INSURANCE—Self-Insurance." There is no assurance that, in the event the Asset Agreement is terminated as a result of damage to or destruction or condemnation of the related Financed Assets, money made available by reason of any such occurrence will be sufficient to redeem the Series 2024 Certificates at a price equal to the principal amount thereof outstanding. See "THE SERIES 2024 CERTIFICATES—Redemption."

### State Budgets and Revenue Forecasts

The State Constitution requires that expenditures for any such Fiscal Year not exceed revenues for such Fiscal Year. In addition, Section 24-75-201.1(1)(d), C.R.S., provides that for each Fiscal Year, a portion of the unrestricted General Fund year-end balance is to be retained as a reserve (the "**Unappropriated Reserve**"), and Section 24-75-201.1, C.R.S., provides that General Fund appropriations for each Fiscal Year, with certain exceptions, may not exceed specified amounts, as discussed in "STATE FINANCIAL INFORMATION—Budget Process and other Considerations—*Revenues and Unappropriated Amounts—Expenditures; The Balanced Budget and Statutory Spending Limitation.*"

The State relies on revenue estimation as the basis for budgeting and establishing aggregate funds available for expenditure for its appropriation process. By statute, the Governor's Office of State Planning and Budgeting ("**OSPB**") is responsible for developing the General Fund revenue estimate. The most recent OSPB revenue forecast was issued on June 20, 2024 (the "**OSPB June 2024 Revenue Forecast**") and is included in this Official Statement. See "STATE FINANCIAL INFORMATION" and **Appendix F**—"OSPB JUNE 2024 REVENUE FORECAST." The next OSPB revenue forecast will be released in September 2024. General Fund revenue projections in the new forecast may be materially different from the OSPB June 2024 Revenue Forecast. A revenue shortfall could adversely affect the State's ability to appropriate sufficient amounts to pay Base Rent in subsequent years. If a revenue shortfall is projected for any forecasted years which would result in a budgetary shortfall, budget cuts will be necessary to ensure the balanced budget. See "CERTAIN RISK FACTORS" and **Appendix E**—"THE STATE GENERAL FUND."

Prospective investors are cautioned that any forecast is subject to uncertainties, and inevitably some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasted and actual results, and such differences may be material. No representation or guaranty is made herein as to the accuracy of the forecasts. See also "Cautionary Statement Regarding Projections, Estimates and Other Forward-Looking Statements in this Official Statement" at the beginning of this Official Statement.

The State's Fiscal Year budgets are not prepared on a cash basis, but rather are prepared using the modified accrual basis of accounting in accordance with the standards promulgated by the Governmental Accounting Standards Board ("**GASB**"), with certain statutory exceptions. The State could experience temporary and cumulative cash shortfalls as the result of differences in the timing of the actual receipt of revenues and payment of expenditures by the State compared to the inclusion of such revenues and



expenditures in the State's Fiscal Year budgets on the modified accrual basis, which does not take into account the timing of when such amounts are received or paid. See "STATE FINANCIAL INFORMATION—Budget Process and Other Considerations."

### **Control of Remedies**

Under the Indenture, the Owners of a majority in principal amount of all the Series 2024 Certificates then Outstanding have the right, at any time, to the extent permitted by law, to direct the Trustee to act or refrain from acting or to direct the manner or timing of any action by the Trustee under the Indenture or Asset Agreement or Site Sublease or to control any proceedings relating to the Indenture or Asset Agreement or Site Sublease; provided that such direction is not otherwise than in accordance with the provisions of the Indenture. See Section 7.06 of the form of Master Indenture attached in **Appendix B** hereto.

### **Future Changes in Laws and Future Initiatives**

Various Colorado laws, including the Act, apply to availability of funds for appropriation by the State, and other operations of the State. In addition, State law allows voter initiatives meeting certain conditions to be placed on the ballot, which initiatives may involve statutory or constitutional amendments. There is no assurance that there will not be future voter initiatives or changes in, interpretation of or additions to the applicable laws, provisions and regulations will not have a material effect, directly or indirectly, on the affairs of the State and its funds.

### **Cyber Security Risks**

The State, like other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private or sensitive information, the State is a potential target for a variety of cyber threats, including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the State's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. Recognizing the potential damage that could be caused by any such attacks, the State has established the Governor's Office of Information Technology ("**OIT**") as the single source for the State's cybersecurity readiness and awareness. The OIT has promulgated a series of policies and standards for State agencies and information security and provides mandatory training for State employees except those in the Department of Law, who receive training from the Department's own cybersecurity specialist due to the nature of the work performed by that Department. In addition, the State has procured insurance coverage for data breaches and other security and privacy incidents. On October 7, 2020, the Colorado Department of Personnel & Administration ("**DPA**") became aware that a spreadsheet containing state employee personal information, including social security numbers, dates of birth, and other similar information, was inadvertently emailed to 38 benefit administrators at certain institutions of higher education. Upon learning this information, DPA requested the recipients delete the email and spreadsheet and confirm that they had done so. The email was delivered in encrypted fashion, so DPA believes the information was protected while in transit. DPA has stated that it has no evidence that employee information was misused or compromised in any fashion. Affected employees were notified and given information to take action to protect themselves against identity theft. No assurance can be given that the State's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the State.

## **Climate Change Risks**

The State is at risk from climate change impacts and other force majeure events, such as extreme weather events, wildfires and other natural occurrences. Increased frequency and intensity of storms, including excessive snowstorms and tornadoes, droughts and fires may have an adverse impact on the State's operations and infrastructure. The State Legislature has enacted numerous laws addressing climate issues, including the collection of climate change data, improvement of fire mitigation strategies and the establishment of greenhouse gas emission standards. Although the State has taken steps to implement various sustainability programs, there can be no assurances that any mitigation measures will reduce the impacts of climate change locally or globally. In addition to the direct effects of climate change described above, there are pending and potential regulations aimed at reducing the effects of climate change and, in particular, state, federal and international regulations and accords pertaining to greenhouse gas ("GHG") emissions. Such regulatory changes could directly and/or indirectly affect State's operations, infrastructure and financial conditions. The State is unable to predict what additional laws and regulations with respect to GHG emissions or other environmental issues will be adopted, or what effects such laws and regulations will have on the State or the State economy. The future effects of climate change on the State's operations and infrastructure are complex, difficult to predict, depend on many factors outside of the State's control and could have material adverse effects. Furthermore, actual events may differ from any scientific climate change studies or forecasts. Accordingly, the State is unable to forecast when adverse climate change effects or the confluence of these events or effects of climate change will occur or whether and what magnitude of adverse economic effects may impact the State or the State's economy generally during the term of the Series 2024 Certificates. No assurance can be given that adverse climate change events or natural disasters will not occur while the Series 2024 Certificates are outstanding, that the State will not have to implement additional adaptive mitigation measures and/or that such measures will not require significant capital resources. Although the State has attempted to mitigate the risk of loss from many of these occurrences by purchasing commercial property and casualty insurance and business interruption insurance, no assurance can be given that such insurance will always be available in sufficient amounts, at a reasonable cost or available at all, or that insurers will pay claims in a timely manner or at all.

## **Potential Limitation of Tax Exemption of Interest on Series 2024 Certificates**

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Series 2024 Certificates to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended, or court decisions may also cause interest on the Series 2024 Certificates to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Internal Revenue Code of 1986, as amended, or court decisions may also affect the market price for, or marketability of, the Series 2024 Certificates. Prospective purchasers of the Series 2024 Certificates should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion. See "TAX MATTERS—Changes in Federal and State Tax Law."

## **Secondary Market**

While the Underwriters expect, insofar as possible, to maintain a secondary market in the Series 2024 Certificates, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the Underwriters or others, and prospective purchasers of the Series 2024 Certificates

should therefore be prepared, if necessary, to hold their Series 2024 Certificates to maturity or prior redemption, if any.

### **No Reserve Fund**

The State has not funded a debt service reserve fund for the Series 2024 Certificates.

## **THE STATE**

### **General Profile**

Colorado became the 38<sup>th</sup> state of the United States of America when it was admitted to the union in 1876. Its borders encompass 103,718 square miles of the high plains and the Rocky Mountains, with elevations ranging from 3,315 to 14,433 feet above sea level. The current population of the State is approximately 5.8 million. The State's major economic sectors include agriculture, professional and business services, manufacturing, technology, tourism, energy production and mining. Considerable economic activity is generated in support of these sectors by government, wholesale and retail trade, transportation, communications, public utilities, finance, insurance, real estate and other services. See also **Appendix A**—"STATE OF COLORADO ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023" and **Appendix H**—"CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION" for additional information about the State.

### **Organization**

The State maintains a separation of powers utilizing three branches of government: executive, legislative and judicial. The executive branch comprises four major elected officials: the Governor, State Treasurer, Attorney General and Secretary of State. The chief executive power is allocated to the Governor, who has responsibility for administering the budget and managing the executive branch. The State Constitution empowers the General Assembly to establish up to 20 principal departments in the executive branch. Most departments of the State report directly to the Governor; however, the Departments of Treasury, Law and State report to their respective elected officials, and the Department of Education reports to the elected State Board of Education. The elected officials serve four-year terms. The current term of such officials commenced in January of 2023 (following the general election held in November of 2022) and will expire on the second Tuesday in January of 2027. No elected executive official may serve more than two consecutive terms in the same office.

The General Assembly is bicameral, consisting of the 35-member Senate and 65-member House of Representatives. Senators serve a term of four years and representatives serve a term of two years. No senator may serve more than two consecutive terms, and no representative may serve more than four consecutive terms. The State Constitution allocates to the General Assembly legislative responsibility for, among other things, appropriating State money to pay the expenses of State government. The General Assembly meets annually in regular session beginning no later than the second Wednesday of January of each year. Regular sessions may not exceed 120 calendar days. Special sessions may be convened by proclamation of the Governor or by written request of two-thirds of the members of each house to consider only those subjects for which the special session is requested.

## **STATE FINANCIAL INFORMATION**

It is important for prospective investors to analyze the financial and overall status of the State, including the General Fund, in order to evaluate the likelihood of an Event of Default or an Event of Nonappropriation. See "SECURITY AND SOURCES OF PAYMENT" and "CERTAIN RISK

FACTORS.” This section and the following section captioned “DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS” have been included to provide prospective purchasers with information relating to such matters. See also **Appendix A**—“STATE OF COLORADO ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023,” **Appendix E**—“THE STATE GENERAL FUND,” and **Appendix F**—“OSPB JUNE 2024 REVENUE FORECAST,” **Appendix H**—“CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION” and **Appendix I**—“STATE PENSION SYSTEM.” With the exception of the State economic and demographic information, which has been provided by Development Research Partners, Inc., the information in these sections and appendices has been provided by the State Treasurer.

## **The State Treasurer**

The State Constitution provides that the State Treasurer is to be the custodian of public funds in the State Treasurer’s care, subject to legislative direction concerning safekeeping and management of such funds. The State Treasurer is the head of the statutorily created Department of the Treasury (the “**State Treasury**”), which receives all State money collected by or otherwise coming into the hands of any officer, department, institution or agency of the State (except certain institutions of higher education). The State Treasurer deposits and disburses those monies in the manner prescribed by law. Every officer, department, institution and agency of the State (except for certain institutions of higher education) tasked with the responsibility of collecting taxes, licenses, fees and permits imposed by law and of collecting or accepting tuition, rentals, receipts from the sale of property and other money accruing to the State from any source is required to transmit those monies to the State Treasury under procedures prescribed by law or by fiscal rules promulgated by the Office of the State Controller (the “**State Controller**”). The State Treasurer and the State Controller may authorize any department, institution or agency collecting or receiving State money to deposit such money to a depository to the State Treasurer’s credit in lieu of transmitting such money to the State Treasury.

The State Treasurer has discretion to invest in a broad range of interest-bearing securities described by statute. See “Investment and Deposit of State Funds” in this section and **Appendix E**— “THE STATE GENERAL FUND—Investment of the State Pool.” All interest derived from the deposit and investment of State money must be credited to the General Fund unless otherwise expressly provided by law.

## **Taxpayer’s Bill of Rights**

**General.** Article X, Section 20 of the State Constitution, entitled the Taxpayer’s Bill of Rights and commonly known as “TABOR,” imposes various fiscal limits and requirements on the State and its local governments, excluding “enterprises,” which are defined in TABOR as government-owned businesses authorized to issue their own revenue bonds and receiving less than 10% of their annual revenues in grants from all State and local governments combined. Certain limitations contained in TABOR may be exceeded with prior voter approval.

TABOR provides a limitation on the amount of revenue that may be kept by the State in any particular Fiscal Year, regardless of whether that revenue is actually spent during the Fiscal Year. This revenue limitation is effected through a limitation on “fiscal year spending” as discussed hereafter. Any revenue received during a Fiscal Year in excess of the limitations provided for in TABOR must be refunded to the taxpayers during the next Fiscal Year unless voters approve a revenue change.

TABOR also requires prior voter approval for the following, with certain exceptions: (i) any new State tax, State tax rate increase, extension of an expiring State tax or State tax policy change directly causing a net revenue gain to the State; or (ii) the creation of any State “multiple fiscal year direct or indirect debt or other financial obligation.”

TABOR further requires the State to maintain an emergency reserve equal to 3% of its fiscal year spending (the “**TABOR Reserve**”), which may be expended only upon: (i) the declaration of a State emergency by passage of a joint resolution approved by a two-thirds majority of the members of both houses of the General Assembly and subsequently approved by the Governor; or (ii) the declaration of a disaster emergency by the Governor. The annual Long Appropriation Bill (the “**Long Bill**”) designates the resources that constitute the TABOR Reserve, which historically have consisted of portions of various State funds plus certain State real property. The OSPB June 2024 Revenue Forecast states that the TABOR Reserve requirement for Fiscal Years 2023-24 through 2025-26 have been estimated to be \$542.2 million, \$573.6 million and \$592.5 million, respectively.

***Fiscal Year Revenue and Spending Limits; Referendum C.*** As noted above, unless otherwise approved by the voters, TABOR limits annual increases in State revenues and fiscal year spending, with any excess revenues required to be refunded to taxpayers. Fiscal year spending is defined as all expenditures and reserve increases except those for refunds made in the current or next Fiscal Year or those from gifts, federal funds, collections for another government, pension contributions by employees and pension fund earnings, reserve transfers or expenditures, damage awards or property tax sales.

The maximum annual percentage change in State fiscal year spending is limited by TABOR to inflation (determined as the percentage change in U.S. Bureau of Labor Statistics Consumer Price Index for Denver, Boulder and Greeley, all items, all urban consumers, or its successor index) plus the percentage change in State population in the prior calendar year, adjusted for revenue changes approved by voters after 1991, being the base year for calculating fiscal year spending. The operation of TABOR created State budget challenges in the early years following its passage, and in 2005 several measures were passed by the General Assembly in an effort to address these challenges, including one, designated “Referendum C,” that was submitted to and approved by State voters and thereafter codified as Sections 24-77-103.6 and 106.5, C.R.S. Referendum C authorized the State to retain and spend any amount in excess of the TABOR limit in Fiscal Years 2005-06 through 2009-10. In addition, for Fiscal Years 2010-11 and thereafter, Referendum C created an Excess State Revenues Cap, or “ESRC,” as a voter- approved revenue change under TABOR that now serves as the limit on the State’s fiscal year revenue retention. The base for the ESRC was established as the highest annual State TABOR revenues received in Fiscal Years 2005-06 through 2009-10. This amount, which was determined to be the revenues received in Fiscal Year 2007-08, is then adjusted for each subsequent Fiscal Year for inflation, the percentage change in State population, the qualification or disqualification of enterprises and debt service changes, each having their respective meanings under TABOR and other applicable State law. However, per SB 17-267, the ESRC for Fiscal Year 2017-18 is an amount equal to (i) the ESRC for Fiscal Year 2016-17 calculated as provided above (ii) less \$200 million. Subsequently, the passage of SB 21-260 raised the ESRC to its pre-SB 17-267 levels, adjusted for inflation and population growth since the passage of SB 17-267.

SB 17-267, also (i) terminated the Hospital Provider Fee program and implemented the Healthcare Affordability and Sustainability Fee, which fee is exempt from TABOR as it is collected by an enterprise created by SB 17-267 within the Department of Health Care Policy and Financing; (ii) exempts retail marijuana from the 2.9% State sales tax, which results in less revenue subject to TABOR in Fiscal Years 2017-18 and thereafter; and (iii ) extends and expands the income tax credit for business personal property taxes paid, which is projected to reduce income tax collections in Fiscal Years 2018-19 and thereafter, but will be offset in part by the distribution of a portion of the special sales tax on retail marijuana sales to the General Fund on an ongoing basis.

As a result of Referendum C, the State was able to retain various amounts in excess of the previously applicable TABOR limit in Fiscal Years 2005-06 through 2013-14, and no refunds were required because such revenues were below the ESRC. Since that time, TABOR revenues have exceeded the applicable ESRC in each of Fiscal Years 2014-15, 2017-18, 2018-19, 2020-21, 2021-22 and 2022-23,



triggering TABOR refunds of \$169.7 million, \$18.5 million, \$428.3 million, \$3,728.9 million, respectively. The OSPB June 2024 Revenue Forecast estimates that TABOR revenues will exceed the applicable ESRC in each of Fiscal Years 2023-24, 2024-25 and 2025-26, which will trigger TABOR refunds of \$3,678.3 million, \$1,446.8 million and \$695.0 million, respectively. See also “APPENDIX E – THE STATE GENERAL FUND – General Fund Overview.”

SB 17-267 also changed the TABOR refund mechanisms. Under prior law, the means by which revenues in excess of the ESRC could be refunded to taxpayers included: (i) a sales tax refund to all taxpayers, (ii) the earned income tax credit to qualified taxpayers and (iii) a temporary income tax rate reduction, the particular refund mechanism used to be determined by the amount that needs to be refunded. Per SB 17-267, beginning with Fiscal Year 2017-18, there is added as the first refund mechanism the amount reimbursed by the State Treasurer to county treasurers in the year of the TABOR refund for local property tax revenue losses attributable to the property tax exemptions for qualifying seniors and disabled veterans. See also **Appendix E**—“THE STATE GENERAL FUND—General Fund Overview.”

Referendum C also created the “General Fund Exempt Account” within the General Fund, to which there is to be credited money equal to the amount of TABOR revenues in excess of the TABOR limit that the State retains for a given Fiscal Year pursuant to Referendum C. Such money may be appropriated or transferred by the General Assembly for the purposes of: (i) health care; (ii) public elementary, high school and higher education, including any related capital construction; (iii) retirement plans for firefighters and police officers if the General Assembly determines such funding to be necessary; and (iv) strategic transportation projects in the Colorado Department of Transportation Strategic Transportation Project Investment Program.

***Voter Approval to Retain and Spend Certain Marijuana Taxes Associated with Proposition AA.*** At the general election held on November 3, 2015, the State’s voters authorized the State to retain and spend \$66.1 million in sales and excise taxes on the sale of marijuana and marijuana products (“Marijuana Taxes”) authorized by Proposition AA approved by the State’s voters in November of 2013 that otherwise would have been subject to a required refund to taxpayers in Fiscal Year 2015-16 pursuant to TABOR. HB 15-1367, which referred the measure to the State’s voters as Proposition BB, also provides for the allocation of the retained amount for public school capital construction, for various purposes such as law enforcement, youth programs and marijuana education and prevention programs and for use by the General Fund for any purpose. For more information on how these amounts are treated in the General Fund, see the discussion in “Revenue Outlook-Cash Funds—Marijuana” in the OSPB June 2024 Revenue Forecast. SB 17-267 increased the special sales tax on retail marijuana sales from 10% to 15% effective July 1, 2017.

***Effect of TABOR on the Series 2024 Certificates.*** Voter approval under TABOR is not required for the execution and delivery of the Series 2024 Certificates because the State’s obligations under the Asset Agreement are payable within any Fiscal Year only if amounts for such payments have been appropriated for such Fiscal Year. Therefore, such obligations are not a “multiple fiscal year direct or indirect debt or other financial obligation” within the meaning of TABOR.

## State Funds

The principal operating fund of the State is the General Fund. All revenues and money not required by the State Constitution or statutes to be credited and paid into a special State fund are required to be credited and paid into the General Fund. The State also maintains several statutorily created special funds for which specific revenues are designated for specific purposes. See **Appendix E**—“THE STATE GENERAL FUND” and **Appendix G**—“OSPB JUNE 2024 REVENUE FORECAST.”

## Budget Process and Other Considerations

**Phase I (Executive).** The budget process begins in June of each year when State departments reporting to the Governor prepare both operating and capital budgets for the Fiscal Year beginning 13 months later. In August, these budgets are submitted to the OSPB, a part of the Governor's office, for review and analysis. The OSPB advises the Governor on departmental budget requests and overall budgetary status. Budget decisions are made by the Governor following consultation with affected departments and the OSPB. Such decisions are reflected in the first budget submitted in November for each department to the Joint Budget Committee of the General Assembly (the "**JBC**"), as described below. In January, the Governor makes additional budget recommendations to the JBC for the budget of all branches of the State government, except that the elected executive officials, the judicial branch and the legislative branch may make recommendations to the JBC for their own budgets.

**Phase II (Legislative).** The JBC, consisting of three members from each house of the General Assembly, develops the legislative budget proposal embodied in the Long Bill, which is introduced in and approved by the General Assembly. Following receipt of testimony by State departments and agencies, the JBC marks up the Long Bill and directs the manner in which appropriated funds are to be spent. The Long Bill includes: (i) General Fund appropriations, supported by general purpose revenue such as taxes; (ii) General Fund Exempt appropriations primarily funded by TABOR-exempt or excess TABOR revenues retained under Referendum C; (iii) cash fund appropriations supported primarily by grants, transfers and departmental fees for services; (iv) reappropriated amounts funded by transfers and earnings appropriated elsewhere in the Long Bill; and (v) estimates of federal funds to be expended that are not subject to legislative appropriation. The Long Bill usually is reported to the General Assembly in March or April with a narrative text. Under current practice, the Long Bill is reviewed and debated in party caucuses in each house. Amendments may be offered by each house, and the JBC generally is designated as a conference committee to reconcile differences. The Long Bill always has been adopted prior to commencement of the Fiscal Year in July. Specific bills creating new programs or amending tax policy are considered separately from the Long Bill in the legislative process. The General Assembly takes action on these specific bills, some of which include additional appropriations separate from the Long Bill.

**Phase III (Executive).** The Governor may approve or veto the Long Bill or any specific bills. In addition, the Governor may veto line items in the Long Bill or any other bill that contains an appropriation. The Governor's vetoes are subject to override by a two-thirds majority of each house of the General Assembly.

**Phase IV (Legislative).** During the Fiscal Year for which appropriations have been made, the General Assembly may increase or decrease appropriations through supplemental appropriations. Any supplemental appropriations are considered amendments to the Long Bill and are subject to the line item veto of the Governor.

**Revenues and Unappropriated Amounts.** For each Fiscal Year, a statutorily defined amount of unrestricted General Fund year-end balances is required to be retained as a reserve (as previously defined, the "**Unappropriated Reserve**"), which may be used for possible deficiencies in General Fund revenues. Unrestricted General Fund revenues that exceed the required Unappropriated Reserve, based upon revenue estimates, are then available for appropriation, unless they are obligated by statute for another purpose. In response to economic conditions and their effect on estimated General Fund revenues, the General Assembly periodically modifies the required amount of the Unappropriated Reserve. Set forth in the following table are the Unappropriated Reserve requirements for Fiscal Years 2016-17 through 2022-23. See also **Appendix E**—"THE STATE GENERAL FUND—General Fund Overview."

**State of Colorado  
Unappropriated Reserve Requirement**

<u>Fiscal Years</u>	<u>Unappropriated Reserve Requirement<sup>1, 2, 3</sup></u>
2018-19	7.25%
2019-20	3.07
2020-21	2.86
2021-22	13.40
2022-23	15.00
2023-24 and thereafter	15.00

<sup>1</sup> The Unappropriated Reserve requirement, which is codified as Section 24-75-201.1(1)(d), C.R.S., is a percentage of the amount appropriated for expenditure from the General Fund in the applicable Fiscal Year.

<sup>2</sup> These Unappropriated Reserve requirements were established by SB 18-276, HB 20-1383, SB 21-226, HB 24 1231 and HB 24 1466. SB 18 276 also removed the exemption of General Fund appropriations for lease purchase agreement payments made in connection with certificates of participation from the reserve calculation requirements.

<sup>3</sup> For Fiscal Years 2023 24 and thereafter, the Unappropriated Reserve requirement is generally required to be 15% of the amount appropriated for expenditure from the General Fund in the applicable Fiscal Year, although temporary adjustments have been made to such percentage by HB 24 1231 and HB 24 1466. HB 24 1231 requires \$41,250,000 to be transferred from the General Fund to an escrow account to support capital construction costs related to health care education, and temporarily reduces the Unappropriated Reserve requirement for Fiscal Years 2023 24 and thereafter by this amount annually until the money is released from escrow. HB 24 1466 provides a two year plan to expedite spending of amounts received by the State as part of the American Rescue Plan Act of 2021 (ARPA) before relevant deadlines expire and thereby free up General Fund money for other uses, and also temporarily adjusts the Unappropriated Reserve requirement for Fiscal Years 2023 24 and 2024 25. As the result of HB 24 1231 and HB 24 1466, the Unappropriated Reserve requirement for Fiscal Years 2023 24 and thereafter is as follows, in each case reduced by the amount required per HB 24 1231, if any: (a) for Fiscal Year 2023 24, 15% of the amount appropriated for expenditure from the General Fund for that Fiscal Year plus 15% of the amount of the General Fund appropriations reduced pursuant to Section 24 75-226(4)(a)(I), C.R.S.; (b) for Fiscal Year 2024 25, 15% of the amount appropriated for expenditure from the General Fund for that Fiscal Year plus \$56,493,543; and (c) for Fiscal Years 2025 26, 15% of the amount appropriated for expenditure from the General Fund for that Fiscal Year. See “Budget Outlook – General Fund” in the OSPB June 2024 Revenue Forecast appended to this Official Statement for a further discussion of the temporary impact on the Unappropriated Reserve requirement made by HB 24 1231 and HB 24 1466.

Source: State Treasurer’s Office.

The OSPB June 2024 Revenue Forecast states that the State ended Fiscal Year 2022-23 with reserves of \$431.2 million above the 15% Unappropriated Reserve requirement for that Fiscal Year, and forecasts that the State will end Fiscal Years 2023-24 and 2024-25 with reserves of \$113.9 million and \$35.6 million above the 15.0% Unappropriated Reserve requirement for both such Fiscal Years. These figures are based on revenue and budget information available when the OSPB June 2024 Revenue Forecast was completed, and as such are subject to change in subsequent OSPB revenue forecasts based on new information on revenue and expenditures.

See also generally “APPENDIX A – THE STATE GENERAL FUND – General Fund Overview – Revenue Estimation; OSPB Revenue and Economic Forecasts” and “APPENDIX B – OSPB JUNE 2024 REVENUE FORECAST.”

***Expenditures; The Balanced Budget and Statutory Spending Limitation.*** The State Constitution mandates that expenditures for any Fiscal Year may not exceed available resources for such Fiscal Year. Total unrestricted General Fund appropriations for each Fiscal Year are limited as provided in Section 24-75-201.1, C.R.S. For the Fiscal Years 2009-10 and thereafter, total General Fund appropriations are limited to: (i) such money as are necessary for reappraisals of any class or classes of taxable property for property tax purposes as required by Section 39-1-105.5, C.R.S., plus (ii) an amount equal to 5% of Colorado personal income (as reported by the U.S. Bureau of Economic Analysis for the calendar year preceding the calendar year immediately preceding a given Fiscal Year).

Excluded from this appropriations limit are: (i) any General Fund appropriation that, as a result of any requirement of federal law, is made for any new program or service or for any increase in the level of



service for any existing program beyond the existing level of service; (ii) any General Fund appropriation that, as a result of any requirement of a final State or federal court order, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service; or (iii) any General Fund appropriation of any money that are derived from any increase in the rate or amount of any tax or fee that is approved by a majority of the registered electors of the State voting at any general election.

The limitation on the level of General Fund appropriations may be exceeded for a given Fiscal Year upon the declaration of a State fiscal emergency by the General Assembly, which may be declared by the passage of a joint resolution approved by a two-thirds majority vote of the members of both houses of the General Assembly and approved by the Governor.

See “Taxpayer’s Bill of Rights” above for a discussion of spending limits imposed on the State by TABOR and changes to these limits as the result of the approval of Referendum C.

***Fiscal Year Spending and Emergency Reserves.*** Through TABOR, the State Constitution imposes restrictions on increases in fiscal year spending without voter approval and requires the State to maintain a TABOR Reserve. See “Taxpayer’s Bill of Rights” in this section for a discussion of the effects of the State Constitution on the State’s financial operations.

### **Fiscal Controls and Financial Reporting**

No money may be disbursed to pay any appropriations unless a commitment voucher has been prepared by the agency seeking payment and submitted to the central accounting system, which is managed by the Office of the State Controller, a division of the Department of Personnel & Administration. The State Controller is the head of the Office of the State Controller. The State Controller or his delegate have statutory responsibility for reviewing each commitment voucher submitted to determine whether the proposed expenditure is authorized by appropriation, whether the appropriation contains sufficient funds to pay the expenditure and whether the prices are fair and reasonable. All payments from the State Treasury are made by warrants or checks signed by the State Controller and countersigned by the State Treasurer, or by electronic funds transfer. The signature of the State Controller on a warrant or check is full authority for the State Treasurer to pay the warrant or check upon presentation.

The State Controller is appointed by the Executive Director of the Department of Personnel & Administration. Except for certain institutions of higher education which have elected to establish their own fiscal rules, the State Controller has statutory responsibility for coordinating all procedures for financial administration and financial control in order to integrate them into an adequate and unified system, conducting all central accounting and issuing warrants or checks for payment of claims against the State. The State Controller prepares an Annual Comprehensive Financial Report, or “ACFR,” in accordance with generally accepted accounting principles (“GAAP”) applicable to governmental entities, with certain statutory exceptions for budget compliance and reporting. The State’s ACFR for Fiscal Year 2022-23 (the “**Fiscal Year 2022-23 ACFR**”) is appended to this Official Statement and includes the most current annual financial statements for the State.

### **Basis of Accounting**

For a detailed description of the State’s basis of accounting, see Note 1E to the financial statements in the State’s Fiscal Year 2022-23 ACFR appended to this Official Statement.

## **Basis of Presentation of Financial Results and Estimates**

The financial reports and financial schedules contained in this Official Statement are based on principles that may vary based on the requirements of the report or schedule. The fund level financial statements and revenue estimates are primarily prepared on the modified accrual basis of accounting. Revenue estimates are prepared for those revenues that are related primarily to the general taxing powers of the State, and to a lesser degree include intergovernmental transactions, fees for services and receipts from the federal government. The General Fund as defined in the financial statements include revenues and expenditures for certain special cash receipts that are related to fees, permits and other charges rather than to the general taxing power of the State. See also **Appendix E**—“THE STATE GENERAL FUND—General” for a discussion of the distinction between the statutory General Fund and the GAAP General Fund.

## **Financial Audits**

Financial and post-performance audits of all State agencies are performed by the State Auditor (the “**Auditor**”) through the Auditor’s staff as assisted by independent accounting firms selected solely by the Auditor. The Auditor is an employee of the legislative branch and is appointed for a term of five years by the General Assembly based on the recommendations of the Legislative Audit Committee of the General Assembly. The present Auditor has been appointed to a term expiring on June 30, 2026. The Legislative Audit Committee is comprised of members of both houses of the General Assembly and has responsibility to direct and review audits conducted by the Auditor.

The State’s Fiscal Year 2022-23 ACFR, including the State Auditor’s Opinion thereon, is appended to this Official Statement as **Appendix A**. The Office of the State Auditor, being the State’s independent auditor, has not been engaged to perform and has not performed, since the date of the State Auditor’s report included herein, any procedures on the financial statements presented in the Fiscal Year 2022-23 ACFR, nor has the State Auditor performed any procedures relating to this Official Statement.

## **Investment and Deposit of State Funds**

The State Treasurer is empowered by Articles 36 and 75 of Title 24, C.R.S., as well as other State statutes, to invest State funds in certain public and non-public fixed income securities. In making such investments, the State Treasurer is to use prudence and care to preserve the principal and to secure the maximum rate of interest consistent with safety and liquidity. The State Treasurer is also required to formulate investment policies regarding the liquidity, maturity and diversification appropriate to each fund or pool of funds in the State Treasurer’s custody available for investment. In accordance with this directive, the State Treasurer has developed standards for each portfolio to establish the asset allocation, the level of liquidity, the credit risk profile, the average maturity/duration and performance monitoring measures appropriate to the public purpose and goals of each State fund.

The State Treasurer is also authorized to deposit State funds in national or state chartered banks and savings and loan associations having a principal office in the State and designated as an eligible public depository by the State Banking Board or the State Commissioner of Financial Services, respectively. To the extent that the deposits exceed applicable federal insurance limits, they are required to be collateralized with eligible collateral (as defined by statute) having a market value at all times equal to at least 100% of the amount of the deposit that exceeds federal insurance (102% for banks).

See also Notes 3 and 4 to the State’s Fiscal Year 2022-23 ACFR appended to this Official Statement and **Appendix E**—“THE STATE GENERAL FUND—Investment of the State Pool.”

## The State General Fund

The General Fund is the principal operating fund of the State. All revenues and money not required by the State Constitution or statutes to be credited and paid into a special State fund are required to be credited and paid into the General Fund. To make the distinction between the statutory General Fund and the GAAP General Fund, the ACFR refers to the statutory General Fund as the General Purpose Revenue Fund. The revenues in the General Purpose Revenue Fund are not collected for a specific statutory use but rather are available for appropriation for any purpose by the General Assembly. See **Appendix E**—“THE STATE GENERAL FUND” for a discussion of the General Fund.

## Selected State Financial Information

The State’s Fiscal Year 2022-23 Annual Comprehensive Financial Report, or “ACFR,” including the State Auditor’s Opinion thereon, is also appended to this Official Statement as **Appendix A**. Prospective investors who wish to review the State’s ACFRs for Fiscal Years 2016-17 through 2020-21 may obtain copies as described in “INTRODUCTION—Additional Information.” Financial, economic and demographic information about the State is provided solely for general background to prospective investors.

## DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS

### The State, State Departments and Agencies

**Generally.** The State Constitution prohibits the State from incurring debt except for limited purposes, for limited periods of time and in inconsequential amounts. The State courts have defined debt to mean any obligation of the State requiring payment out of future years’ general revenues. Accordingly, the State currently has, and upon execution and delivery of the Series 2024 Certificates will have, no outstanding general obligation debt.

**Governmental Activities.** The State is authorized to and has entered into lease purchase agreements in connection with various public projects, some of which have been financed by the sale of certificates of participation in the revenues of the related lease purchase agreements. The obligations of the State to make lease payments under such agreements each Fiscal Year are contingent upon annual appropriations by the General Assembly. See Notes 11 and 12 to the State’s Fiscal Year 2022-23 ACFR appended to this for a discussion of the outstanding lease-purchase agreements entered into by the State as of June 30, 2023, as well as the aggregate minimum lease payments due under such lease-purchase entered into by the State for Fiscal Years 2022-23 and thereafter, and also Note 21 to the Fiscal Year 2022-23 ACFR for a discussion of lease-purchase agreements entered into by the State after June 30, 2023, but before publication of the Fiscal Year 2022-23 ACFR. On June 2, 2020, the State issued its Rural Colorado Certificates of Participation Series 2020A in the aggregate principal amount of \$500,000,000, that are paid and secured by certain payments made by the State pursuant to a lease purchase agreement. The State also issued its Colorado Department of Transportation Second Amended and Restated Headquarters Facilities Lease Purchase Agreement Refunding Certificates of Participation Series 2020 in the aggregate principal amount of \$19,050,000 on August 5, 2020, which are paid and secured by certain payments made by the State, acting by and through the Colorado Department of Transportation, pursuant to a lease purchase agreement. On October 14, 2020, the State issued its National Western Center Certificates of Participation Series 2020A (Tax-Exempt) in the aggregate principal amount of \$68,670,000 and its National Western Center Certificates of Participation Series 2020B (Taxable) in the aggregate principal amount of \$44,225,000 which are paid and secured by certain payments made by the State pursuant to a lease purchase agreement. On February 24, 2021, the State issued its State of Colorado Higher Education Lease Purchase Financing Program Certificates of Participation Series 2020 in the aggregate principal amount of \$64,250,000. On June 2, 2021, the State issued its Rural Colorado Certificates of Participation Series 2021A in the aggregate

principal amount of \$500,000,000, that are paid and secured by certain payments made by the State pursuant to a lease purchase agreement. On June 15, 2022, the State issued its Rural Colorado Certificates of Participation Series 2022 in the aggregate principal amount of \$500,000,000, that are paid and secured by certain payments made by the State pursuant to a lease purchase agreement.

In addition to lease purchase agreements, the State is authorized to enter into lease or rental agreements for buildings and/or equipment, all of which contain a stipulation that continuation of the lease is subject to funding by the General Assembly. Historically, these agreements have been renewed in the normal course of business and are therefore treated as non-cancelable for financial reporting purposes. In addition, these agreements generally are entered into through private negotiation with lessors, banks or other financial institutions rather than being publicly offered. See Notes 10 and 12 to the State's Fiscal Year 2022-23 ACFR appended to this Official Statement for a discussion of the outstanding lease/rental agreements entered into by the State as of June 30, 2023, as well as the aggregate minimum payment obligations under such agreements in Fiscal Year 2022-23 and thereafter.

State departments and agencies, including State institutions of higher education, are also authorized to and have entered into annually renewable lease purchase agreements, and to issue revenue bonds and notes, for the purchase of equipment, the construction of facilities and infrastructure and other business-type activities. With the exception of the University of Colorado, which is governed by an elected Board of Regents, the institutions of higher education are governed by boards whose members are appointed by the Governor with the consent of the State Senate. See Notes 11, 12 and 21 to the State's Fiscal Year 2022-23 ACFR appended to this Official Statement for a discussion of such bonds and notes outstanding as of June 30, 2023, and of those issued after June 30, 2023, but before publication of the Fiscal Year 2022-23 ACFR. The revenue bonds and certificates of participation listed in such Notes have in most cases been publicly offered, while the notes payable listed in such Notes have generally been private financings directly with banks or other financial institutions. The State has contingent moral obligations to intercept revenue and make certain debt payments on notes and bonds issued by State school districts in the event they fail to make a required payment to the holders of such notes and bonds. See Notes 19 and 21 to the State's Fiscal Year 2022-23 ACFR appended to this Official Statement.

See also the Statistical Section of the State's Fiscal Year 2022-23 ACFR for a ten-year history of the total outstanding debt and related debt service expenditures of the State.

### **State Tax and Revenue Anticipation Notes**

Under State law, the State Treasurer is authorized to issue and sell notes payable from the anticipated revenues of any one or more State funds or groups of accounts to meet temporary cash flow shortfalls. Since Fiscal Year 1984-85, the State has issued tax and revenue anticipation notes in order to fund cash flow shortfalls in the General Fund. For certain Fiscal Years, the State has also funded cash flow shortfalls by use of the proceeds of internal borrowing from State funds other than the General Fund. Since Fiscal Year 2003-04, the State has also issued education loan anticipation notes for local school districts in anticipation of local school district revenues to be collected at a later date. All tax and revenue anticipation notes previously issued by the State have been paid in full and on time.

On July 20, 2023, the State issued \$500 million in aggregate principal amount of its Education Loan Program Tax and Revenue Anticipation Notes, Series 2023A to meet cash flow shortages experienced by local school districts in the State. On January 17, 2024, the State issued \$670 million in aggregate principal amount of its Education Loan Program Tax and Revenue Anticipation Notes, Series 2023B. [On July 18, 2024, the State issued \$\_\_\_ million in aggregate principal amount of its Education Loan Program Tax and Revenue Anticipation Notes, Series 2024A to meet cash flow shortages experienced by local school districts in the State.]

See also the Statistical Section of the State’s Fiscal Year 2022-23 ACFR appended to this Official Statement for a ten-year history of the total outstanding debt and related debt service expenditures of the State.

## State Authorities

A number of State authorities have issued financial obligations to support activities related to the special purposes of such entities. Such obligations do not constitute a debt or liability of the State and the State Treasurer has no responsibility for such issuances, although pursuant to Section 22-30.5-408, C.R.S., the State may, but is not obligated to, appropriate money to cure unreplenished draws on debt service reserve funds for certain bonds issued by the Colorado Educational and Cultural Facilities Authority to fund facilities for charter schools. Generally, State authorities are legally separate, independent bodies governed by their own boards, some including ex-officio State officials and/or members appointed by the Governor or ranking members of the General Assembly (in most cases with the consent of the State Senate).

## Pension and Post-Employment Benefits

**General.** The State provides post-employment benefits to its employees based on their work tenure and earnings history through a defined benefit pension plan (as more particularly defined in **Appendix J—“STATE PENSION SYSTEM,”** the “**State Division Plan**”). State employees hired after 2005 may, in lieu of participating in the State Division Plan, elect to participate in a defined contribution plan (the “**State Division DC Plan**”), although the majority of State employees participate in the State Division Plan. State employees may also elect to participate in a limited healthcare plan. Each plan is administered by the Public Employees’ Retirement Association (“**PERA**”), which is a statutorily created legal entity that is separate from the State. PERA also administers plans for school districts, local governments and other entities, each of which is considered a separate division of PERA and for which the State has no obligation to make contributions or fund benefits. The State does not participate in the federal Old-Age, Survivors and Disability Insurance (Social Security) program.

For a general description of the State Division Plan and PERA, see **Appendix I—“STATE PENSION SYSTEM.”** For a detailed discussion of the State Division Plan, the State Division DC Plan, the limited healthcare plan and PERA, see Notes 6, 7 and 8 to the State’s Fiscal Year 2022-23 ACFR appended to this Official Statement, as well as PERA’s Annual Report for calendar year 2023 (the “**PERA 2023 Annual Report**”). The information in the State’s Fiscal Year 2022-23 ACFR regarding PERA is derived from PERA 2022 Annual Report.

**The State Division Plan.** The State Division Plan is funded with contributions made by the State and by each participating State employee at rates that are established by statute. The State has consistently made all statutorily required contributions to the State Division Plan. However, the State Division Plan remains significantly underfunded. In order to address the funding status of PERA’s defined benefit plans, including the State Division Plan, the General Assembly enacted SB 18-200, which made changes to the defined benefit plans administered by PERA with the goal of eliminating the UAAL of such plans and thereby reach a 100% funded ratio for each of such plans within a 30-year period. SB 18-200 made changes to certain benefit and contribution provisions of the defined benefit plans administered by PERA, including implementing a provision that automatically adjusts employee and employer contribution rates, annual cost of living increases and the State’s annual direct contribution to PERA within certain statutory parameters so as to stay with in the 30-year funding goal. Previously, such adjustments required action by the General Assembly.

The PERA 2023 Annual Report reports that at December 31, 2023, the actuarial value of assets of the State Division Plan was approximately \$18.851 billion and the actuarial accrued liability, or “AAL,” of



the Plan was approximately \$28.460 billion, resulting in an unfunded actuarial accrued liability, or “UAAL,” approximately \$9.608 billion, a funded ratio of 66.2 % and an amortization period of 18 years, all as further described in **Appendix I—“STATE PENSION SYSTEM.”** The actuarial value of assets for the State Division Plan uses an asset valuation method of smoothing the difference between the market value of assets and the actuarial value of assets to prevent extreme fluctuations that may result from short-term or cyclical economic and market conditions. Based on the market value of assets of the State Division Plan, at December 31, 2023, the Plan had an unfunded accrued liability of approximately \$ 10.502 billion and a funded ratio of 63.1%.

The funding status of the State Division Plan summarized above reflects the implementation by PERA in 2014 of GASB Statement No. 67, “Financial Reporting for Pension Plans—An Amendment of GASB Statement No. 25” (“**GASB 67**”), which establishes new standards for financial reporting and note disclosure by defined benefit pension plans administered through qualified trusts, such as the State Division Plan, and note disclosure requirements for defined contribution pension plans administered through qualified trusts, such as the State Division DC Plan.

Because the State’s annual contributions with respect to the State Division Plan are set by statute and funded in the State’s annual budget, such contributions are not affected in the short term by changes in the actuarial valuation of the Plan assets or the funding ratio of the Plan.

See generally **Appendix I—“STATE PENSION SYSTEM”** for further information regarding the State Division Plan.

***The Health Care Trust Fund.*** The State also currently offers other post-employment health and life insurance benefits to its employees. The post-employment health insurance to State employees is provided through PERA’s Health Care Trust Fund, in which members from all divisions of PERA are eligible to participate. The Health Care Trust Fund is a cost-sharing, multiple employer plan under which PERA subsidizes a portion of the monthly premium for health insurance coverage for certain State retirees and the remaining amount of the premium is funded by the benefit recipient through an automatic deduction from the monthly retirement benefit. The Health Care Trust Fund is funded by a statutory allocation of money consisting of portions of, among other things, the employer statutorily required contributions, the amount paid by members and the amount of any reduction in the employer contribution rates to amortize any overfunding in each Division’s trust fund. At December 31, 2023, the Health Care Trust Fund had a UAAL of approximately \$678.305 billion, a funded ratio of 48.4% and an [8-year] amortization period. Because the Health Care Trust Fund is a cost-sharing, multiple employer plan, PERA’s actuary has not determined the portion of the unfunded actuarial accrued liability that applies to each Division participant. The benefit provided by the Health Care Trust Fund is a fixed limited subsidy of the retiree’s health care insurance premium payment, and the retiree bears all risk of medical cost inflation. See Notes 9 and 11 to the PERA 2020 ACFR for additional information regarding the Health Care Trust Fund.

***Implementation of Changes in Pension Accounting Standards Applicable to the State—GASB 68 and GASB 75.*** GASB Statement No. 68, “Accounting and Financial Reporting for Pensions” (“**GASB 68**”), which is related to GASB 67 but is applicable to the State, is effective for fiscal years beginning after June 15, 2014, and accordingly was first implemented in the State’s Fiscal Year 2014-15 ACFR. GASB 68 revises and establishes new financial reporting requirements for most governments, such as the State, that provide their employees with pension benefits. GASB 68 requires cost-sharing employers participating in defined benefit plans to record their proportionate share of the unfunded pension liability. The State reported a net pension liability in the State’s Fiscal Year 2022-23 ACFR of approximately \$15.045 billion at June 30, 2023, compared to a reported net pension liability in the State’s Fiscal Year 2021-22 ACFR of approximately \$8.286 billion at June 30, 2022. These amounts were determined as of the calendar year-end that occurred within the Fiscal Year. Schedules presenting the State’s proportionate share of the net pension liability for

its retirement plan as of December 31, 2013-2022, and a ten-year history of the State's contribution to PERA for the State and Judicial Divisions, are set forth in Note RSI-2 to the Required Supplementary Information in the State's Fiscal Year 2022-23 ACFR. See also "Overall Financial Position and Results of Operations" in the Management's Discussion and Analysis in the State's Fiscal Year 2022-23 ACFR and Notes 1, 6, 7 and 8 to the Financial Statements in the State's Fiscal Year 2022-23 ACFR, as well as **Appendix J—“STATE PENSION SYSTEM”** and particularly the section thereof entitled “Implementation of Changes in Pension Accounting Standards Applicable to the State—GASB 68.”

GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” (“**GASB 75**”), is effective for fiscal years beginning after June 15, 2017, and accordingly was first implemented in the State's Fiscal Year 2018-19 ACFR. GASB 75 requires, for purposes of governmental financial reporting, that the State recognize a liability for its proportionate share of the net Other Post-Employment Benefits (“**OPEB**”) liability (of all employers for benefits provided through the OPEB plan), *i.e.*, the collective net OPEB liability. The State is also required to recognize OPEB expense and report deferred outflows of resources and deferred inflows of resources related to OPEB for its proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB. GASB 75 also requires additional footnote disclosures about the pension trust fund in the financial statements.

***Effect of Pension Liability on the Series 2024 Certificates.*** For a discussion of the State's current pension liability, see the Management's Discussion and Analysis in the Financial Section of the State's Fiscal Year 2020-21 ACFR appended to this Official Statement under the caption “CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS—Public Employees Retirement Association Reforms.” No assurances can be given that the assumptions underlying the State's current or future plans to address its pension liabilities will be realized or that actual events will not cause material changes to the pension data presented in this Official Statement and the State's Fiscal Year 2022-23 ACFR or the State's ability to fully pay its obligations, including the Series 2024 Certificates.

## LITIGATION, GOVERNMENTAL IMMUNITY AND SELF-INSURANCE

### No Litigation Affecting the Series 2024 Certificates

There is no litigation pending, or to the knowledge of the State, threatened, (a) seeking to restrain or enjoin the execution and delivery of the Series 2024 Certificates, (b) questioning the right of the State Treasurer to enter into the Site Leases or Site Sublease in the manner provided in HB 24-1231 or the Act, or (c) questioning or affecting the validity of the Series 2024 Certificates or the proceedings or authority under which they are to be executed and delivered.

### Governmental Immunity

The Colorado Governmental Immunity Act, Article 10 of Title 24, C.R.S. (the “**Immunity Act**”), provides that public entities and their employees acting within the course and scope of their employment are immune from liability for tort claims under State law based on the principle of sovereign immunity, except for those specifically identified events or occurrences defined in the Immunity Act. Whenever recovery is permitted, the Immunity Act also generally limits the maximum amount that may be recovered. For incidents occurring prior to July 1, 2013, the limits are \$150,000 for injury to one person in a single occurrence and an aggregate of \$600,000 for injury to two or more persons in a single occurrence, except that no one person may recover in excess of \$150,000; for incidents occurring on and after January 1, 2013, but before January 1, 2018, the maximum amounts that may be recovered under the Immunity Act are \$350,000 for injury to one person in a single occurrence and an aggregate of \$990,000 for injury to two or more persons in a single occurrence, except that no one person may recover in excess of \$350,000; and for

incidents occurring on and after January 1, 2018, but before January 1, 2022, the maximum amounts that may be recovered under the Immunity Act are \$387,000 for injury to one person in a single occurrence and an aggregate of \$1,093,000 for injury to two or more persons in a single occurrence, except that no one person may recover in excess of \$387,000. These limits are subject to adjustment on January 1, 2022, and every four years thereafter based on the percentage change in the Consumer Price Index for Denver-Boulder-Greeley, or its successor index. In individual cases the General Assembly may authorize the recovery from the State of amounts in excess of these limits by legislative action initiated either directly by the General Assembly or upon recommendation of the State Claims Board. The Immunity Act does not limit recovery against an employee who is acting outside the course and scope of his/her employment. The Immunity Act specifies the sources from which judgments against public entities may be collected and provides that public entities are not liable for punitive or exemplary damages. The Immunity Act does not prohibit claims in Colorado state court against public entities or their employees based on contract and may not prohibit such claims based on other common law theories. However, the Immunity Act does bar certain federal actions or claims against the State or State employees sued in their official capacities under federal statutes when such actions are brought in state court. The Eleventh Amendment to the U.S. Constitution bars certain federal actions or claims against the State or its employees sued in their official capacities under federal statutes when such actions are brought in federal court.

HB 12-1361 amended the Immunity Act by waiving sovereign immunity of the State in an action for injuries resulting from a prescribed fire started or maintained by the State or any of its employees on or after January 1, 2012. A prescribed fire is defined as the application of fire in accordance with a written prescription for vegetative fuels, but excluding a controlled burn used in farming industry to clear land of existing crop residue, kill weeds and weed seeds or to reduce fuel build-up and decrease the likelihood of a future fire.

### **Self-Insurance**

In 1985, the General Assembly passed legislation creating a self-insurance fund, the Risk Management Fund, and established a mechanism for claims adjustment, investigation and defense, as well as authorizing the settlement and payment of claims and judgments against the State. The General Assembly also utilizes the self-insurance fund for payment of State workers' compensation liabilities. The State currently maintains self-insurance for claims arising on or after September 15, 1985, under the Immunity Act and claims against the State, its officials or its employees arising under federal law. See Notes 1G, 9 and 19 and General Fund Components (in Supplementary Information) in the State's Fiscal Year 2022-23 ACFR appended to this Official Statement. Judgments awarded against the State for which there is no insurance coverage or that are not payable from the Risk Management Fund ordinarily require a legislative appropriation before they may be paid.

## **TAX MATTERS**

The Internal Revenue Code of 1986, as amended, includes requirements which the State must continue to meet after the issuance of the Series 2024 Certificates in order that the portion of Base Rent designated and paid by the State as interest on the Series 2024 Certificates (referred to herein as "**interest**") be and remain excludable from gross income for federal income tax purposes. The State's failure to meet these requirements may cause the interest on the Series 2024 Certificates to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024 Certificates. The State Treasurer has covenanted in the Authorizing Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2024 Certificates.



In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the State Treasurer and continuing compliance by the State with the tax covenants referred to above, under existing statutes, regulations, rulings, and court decisions, the portion of Base Rent designated and paid by the State as interest on the Series 2024 Certificates (referred to herein as “interest”) is excludable from gross income for federal income tax purposes, and, further that, interest on the Series 2024 Certificates is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”) on applicable corporations (as defined in Section 59(k) of the Code), the portion of the Basic Rent designated and paid as interest to the owners of the Series 2024 Certificates is not excluded from the determination of adjusted financial statement income. No opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2024 Certificates following termination of the Asset Agreement as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

In the opinion of Bond Counsel that, under existing State of Colorado statutes, regulations, rulings and court decisions, the portion of Base Rent designated and paid as interest to the holders of the Series 2024 Certificates is excludable from taxable income for purposes of the State of Colorado income tax and the State of Colorado alternative minimum tax. No opinion is expressed with respect to the Colorado income tax consequences of any payments received with respect to the Series 2024 Certificates following termination of the Asset Agreement as a result of non-appropriation of funds or the occurrence of an event of default thereunder. Prospective purchasers of the Series 2024 Certificates should consult their own tax advisors as to the status of interest on the Series 2024 Certificates under the tax laws of any state other than the State.

Except as described above, Bond Counsel will express no opinion regarding the federal or state income tax consequences resulting from the receipt or accrual of the portion of the Base Rent designated and paid as interest on the holders of the Series 2024 Certificates, or the ownership or disposition of the Series 2024 Certificates. Prospective purchasers of Series 2024 Certificates should be aware that the ownership of Series 2024 Certificates may result in other collateral federal or state tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2024 Certificates, or in the case of a financial institution, that portion of the owner’s interest expense allocable to the portion of Base Rent designated and paid as interest on the Series 2024 Certificates, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the portion of Base Rent designated and paid as interest on the Series 2024 Certificates, (iii) the inclusion of the portion of Base Rent designated and paid as interest on the Series 2024 Certificates in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the portion of Base Rent designated and paid as interest on the Series 2024 Certificates in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) the inclusion of the portion of Base Rent designated and paid as interest on the Series 2024 Certificates in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2024 Certificates. Prospective purchasers of the Series 2024 Certificates should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of a particular result, and are

not binding on the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

### **Original Issue Discount and Premium**

Certain of the Series 2024 Certificates ("**Discount Certificates**") may be offered and sold to the public at an original issue discount ("**OID**"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Certificate determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Certificate over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Certificate (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2024 Certificates, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Certificate.

Certain of the Series 2024 Certificates ("**Premium Certificates**") were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Certificates callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Certificate, based on the yield to maturity of that Premium Certificates (or, in the case of a Premium Certificate callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Certificates), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Certificate. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Certificate, the owner's tax basis in the Premium Certificate is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Certificate for an amount equal to or less than the amount paid by the owner for that Premium Certificate.

**Owners of Series 2024 Discount and Premium Certificates should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Series 2024 Discount or Premium Certificates and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income. Changes in Federal and State Tax Law**

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of the portion of Base Rent designated and paid as interest on the Series 2024 Certificates. Changes such as these could adversely affect the market price or marketability of the Series 2024 Certificates, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2024 Certificates. Prospective purchasers of the Series 2024 Certificates should consult their tax advisors as to the impact of any proposed or pending legislation.

## IRS Audit Program

The Internal Revenue Service (the “**Service**”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Series 2024 Certificates. If an audit is commenced, the market value and marketability of the Series 2024 Certificates may be adversely affected. An adverse determination by the Service with respect to the tax-exempt status of interest on the Series 2024 Certificates could be expected to adversely impact the secondary market, if any, for the Series 2024 Certificates, and if a secondary market exists, would also be expected to adversely impact the price at which the Series 2024 Certificates can be sold. The Master Indenture and the Supplemental Indenture do not provide for any adjustment to the interest rates borne by the Series 2024 Certificates in the event of a change in the tax-exempt status of the Series 2024 Certificates. Under current audit procedures, the Service will treat the State as the taxpayer and the owners may have no right to participate in such procedures. The State Treasurer has covenanted in the Authorizing Resolution not to take any action that would cause the interest on the Series 2024 Certificates to lose its exclusion from gross income for federal income tax purposes. None of the State, the Financial Advisor or Bond Counsel is responsible for paying or reimbursing any Owner or Beneficial Owner for any audit or litigation costs relating to the Series 2024 Certificates.

There can be no assurance that an audit by the Service of the Series 2024 Certificates will not be commenced. However, the State has no reason to believe that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable Service position, regulation or ruling. No rulings have been or will be sought from the Service with respect to any federal tax matters relating to the issuance, purchase, ownership, receipt or accrual of interest upon, or disposition of the Series 2024 Certificates.

## Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations such as the Series 2024 Certificates is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2024 Certificates from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2024 Certificates, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the Series 2024 Certificates and proceeds from the sale of Series 2024 Certificates. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2024 Certificates. This withholding generally applies if the owner of Series 2024 Certificates (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“**TIN**”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2024 Certificates may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

## UNDERWRITING

The Series 2024 Certificates are to be purchased by the Underwriters listed on the front cover page of this Official Statement at a price equal to \$\_\_\_\_\_ (representing the aggregate principal amount of the Series 2024 Certificates of \$275,000,000.00\*, plus original issue premium of \$\_\_\_\_\_ less an aggregate underwriting discount of \$\_\_\_\_\_). The Underwriters have agreed to accept delivery of and pay for all the Series 2024 Certificates if any are delivered, provided that the obligation to make such purchase is subject to certain terms and conditions set forth in the Certificate Purchase Agreement related to the Series 2024 Certificates, the approval of certain legal matters by counsel and certain other conditions. The Underwriters may offer and sell the Series 2024 Certificates to certain dealers (including dealers depositing such Series 2024 Certificates into investment funds) and others at prices lower than the public offering prices stated on the inside cover page hereof. The public offering prices set forth on the inside front cover hereof may be changed after the initial offering by the Underwriters.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the State. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the State.

BofA Securities, Inc., an Underwriter of the Series 2024 Certificates, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2024 Certificates.

Piper Sandler & Co., one of the Underwriters of the Series 2024 Certificates, has entered into a distribution agreement (“**Distribution Agreement**”) with Charles Schwab & Co., Inc. (“**CS&Co**”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Series 2024 Certificates from Piper Sandler at the original issue price less a negotiated portion of the selling concession applicable to any Series 2024 Certificates that CS&Co. sells.

## LEGAL MATTERS

Legal matters relating to the validity of the Series 2024 Certificates are subject to the approving opinion of Greenberg Traurig LLP, Denver, Colorado, as Bond Counsel, which will be delivered with the Series 2024 Certificates, a form of which is attached hereto as **Appendix D**.

Tate Law, P.C. will pass upon certain legal matters relating to the Series 2024 Certificates as Special Counsel to the State. Tate Law, P.C. has not participated in any independent verification of the information concerning the financial condition or capabilities of the State contained in this Official

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\* Preliminary, subject to change.

Statement. Certain legal matters will be passed upon for the State by the office of the Attorney General of the State, as counsel to the State. Kutak Rock LLP, Denver, Colorado, has been engaged by each of the Higher Education Institutions to represent them in connection with the offering, execution, and delivery of the Series 2024 Certificates. Kline Alvarado Veio P.C., Denver, Colorado, has acted as counsel to the Underwriters. Payment of legal fees to Bond Counsel and Special Counsel are contingent upon the sale and delivery of the Series 2024 Certificates.

## RATINGS

Standard & Poor's Ratings Services ("S&P") has assigned the Series 2024 Certificates a rating of ["AA-"] and Moody's Investors Service has assigned the Series 2024 Certificates a rating of ["Aa2"]. No other ratings have been applied for. A rating reflects only the views of the rating agency assigning such rating, and an explanation of the significance of such rating may be obtained from each such rating agency. The State makes no representation regarding any rating outlooks related to the Series 2024 Certificates or any other obligations of the State. The State has furnished to the rating agencies certain information and materials relating to the Series 2024 Certificates and the 2024 Financed Assets, including certain information and materials which have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions by the rating agencies. There is no assurance that any of the ratings will continue for any given period of time or that any of the ratings will not be revised downward, suspended or withdrawn entirely by any such rating agency if, in its judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of any such rating may have an adverse effect on the market price of the Series 2024 Certificates. Neither the State, the Municipal Advisor (hereinafter defined), nor any Underwriter undertakes any responsibility to oppose any such revision, suspension or withdrawal.

## MUNICIPAL ADVISOR

The State has retained North Slope Capital Advisors, Denver, Colorado as municipal advisors (the "**Municipal Advisor**") in connection with the Series 2024 Certificates and with respect to the authorization, execution and delivery of the Series 2024 Certificates. *The Municipal Advisor was not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.* The Municipal Advisor will act as an independent advisory firms and will not be engaged in underwriting or distributing the Series 2024 Certificates.

## CONTINUING DISCLOSURE

Rule 15c2-12, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, prohibits underwriters from purchasing or selling certain municipal securities unless the issuer of those securities, or an obligated person for whom financial or operating data is presented in the final official statement, has undertaken to provide continuing disclosure information for the benefit of the owners of those securities. In accordance with Rule 15c2-12, the State, acting by and through the State Treasurer, will enter into a Continuing Disclosure Undertaking on the Closing Date, the form of which is appended to this Official Statement, pursuant to which the State Treasurer will agree for the benefit of the Owners and Beneficial Owners of the Series 2024 Certificates to file with the MSRB via its EMMA website (a) certain annual financial information and the State's audited annual financial statements not later than 270 days after the end of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2024, and (b) notices of the occurrence of certain events affecting the State and the Series 2024 Certificates within ten business days of their occurrence. See **Appendix C**—"FORM OF CONTINUING DISCLOSURE UNDERTAKING" for a description of the annual information and the notices of events to be provided and other terms of the Continuing Disclosure Undertaking.



The obligations of the State Treasurer pursuant to the Continuing Disclosure Undertaking are for the benefit of the Owners and Beneficial Owners of the Series 2024 Certificates, and, if necessary, may be enforced by such Owners and Beneficial Owners by specific performance of such obligations by any judicial proceeding available. However, a breach of the State Treasurer's obligations pursuant to the Continuing Disclosure Undertaking does not constitute an Indenture Event of Default or an Asset Agreement Event of Default, and none of the rights and remedies provided in the Indenture and the Asset Agreement for such defaults will be available to the Owners and Beneficial Owners of the Series 2024 Certificates in the event of a breach of the Continuing Disclosure Undertaking.

### **Compliance with Other Continuing Disclosure Undertakings**

The State Treasurer has determined that during the previous five years, the State Treasurer and certain other State departments or agencies have not complied in all material respects with continuing disclosure undertakings entered into by such entities pursuant to Rule 15c2-12 in connection with municipal securities issued by or for the benefit of such entities by failing to file, or to file on a timely basis, on the EMMA website and its predecessor repositories, certain annual financial information, audited financial statements and/or notices of material events as required by those continuing disclosure undertakings.

Partially in response to the foregoing, the State Treasurer requested and the General Assembly enacted legislation in 2012 to provide the State Treasurer with statutory authority over debt issuance and post-issuance compliance with continuing disclosure undertakings entered into by the State, the State Treasurer and certain State departments and agencies that utilize the State's credit (collectively, the **"Included Entities"**) in connection with financial obligations issued by or for the benefit of the Included Entities. Consistent with this authorization, the responsibility for compliance with the continuing disclosure undertakings entered into by the Included Entities has been centralized with the State Treasurer, which is intended to ensure future compliance with such continuing disclosure undertakings.

In early 2013, the State Treasurer retained Digital Assurance Certification, LLC (**"DAC Bond"**), as its disclosure dissemination agent for the purpose of assisting it with auditing past compliance, making remedial filings and ensuring ongoing compliance with its continuing disclosure filing requirements with the MSRB of all information required in the continuing disclosure undertakings entered into by the Included Entities, and plans to implement other procedures intended to ensure future material compliance with such continuing disclosure undertakings.

In addition, consistent with its statutory authorization and as a result of the circumstances described above, the State Treasurer's office carried out a comprehensive review of compliance by the State with the continuing disclosure undertakings entered into by the Included Entities for the purpose of determining instances of material noncompliance with such continuing disclosure undertakings. Instances of material noncompliance discovered by the State Treasurer's office have been addressed by making appropriate corrective filings or taking other remedial actions, either directly or by DAC Bond. The State also participated in the SEC's Municipal Continuing Disclosure Cooperation Initiative discussed in "MCDC Settlement Order with Securities and Exchange Commission" hereafter.

The State was unable to post its Fiscal Year 2016-17 audited financial statements on EMMA by January 26, 2018, as required by such continuing disclosure undertakings. A notice of late filing was posted on EMMA on January 25, 2018, and the State's unaudited Basic Financial Statements for Fiscal Year 2016-17 and the State's Fiscal Year 2016-17 ACFR were posted on EMMA on January 9, 2018, and February 8, 2018, respectively.

Due to a late journal entry by a department, the State's audited annual financial statements (the Fiscal Year 2019-20 ACFR) was not released and posted until March 16, 2021, resulting in a late filing of

the audited annual financial statements for some of the State's outstanding issues. The State filed a Failure to Provide Annual Financial Information as Required Filing with EMMA on January 26, 2021. On November 9, 2021, the State filed a Notice of Financial Obligation—Incurrence and Agreement and the related fourth supplemental mortgage and indenture of trust on EMMA. The filing was in addition and with respect to, among other filings, an Other Event-Based Disclosures filing on EMMA on September 24, 2021, with respect to the defeasance and redemption of prior series of certificates of participation for UCDHSC Fitzsimmons Academic Projects for which notices of defeasance and redemption, notice of amendment to indenture and release of a lease purchase agreement were previously filed by the trustee bank. On January 26, 2022, the State filed a Failure to Provide Audited Financial Statements on EMMA in connection with the State failing to comply with the requirements of prior continuing disclosure undertakings to file the Fiscal Year 2020-21 ACFR by January 26, 2022. Such ACFR was filed with EMMA on February 14, 2022.

### **MCDC Settlement Order with Securities and Exchange Commission**

In March of 2014, the Securities and Exchange Commission (the “**SEC**”) announced its Municipal Continuing Disclosure Cooperation Initiative (the “**MCDC**”) pursuant to which underwriters and municipal issuers could self-report instances where official statements of municipal issuers failed to report instances in which the issuer failed to comply in all material respects with its continuing disclosure undertakings. Pursuant to the MCDC, on or about November 26, 2014, the State Treasurer reported certain prior failures to the SEC.

In May of 2016, the State Treasurer, on behalf of CDOT, executed an Offer of Settlement (the “**Offer**”) with the SEC under the MCDC, which Offer was accepted by the SEC on August 24, 2016, and became an order of the SEC (the “**Order**”). As described in the Order, CDOT participated in one negotiated offering in 2011 in which the final official statement stated in relevant part that during the past five years, CDOT had complied in all material respects with its continuing disclosure undertakings. Notwithstanding such statement, however, CDOT's audited financial statements for 2006, 2007, 2008, 2009 and 2010 were not filed until 2014 when it was discovered that such financial statements had not been filed previously with the Nationally Recognized Municipal Securities Information Repositories or the MSRB through the EMMA system, as applicable.

Pursuant to the Order, the State Treasurer has agreed to (i) within 180 days of the entry of the Order, establish written policies and procedures and undertake periodic training regarding continuing disclosure obligations, including designation of an individual or officer responsible for ensuring compliance with such policies and procedures, (ii) within 180 days of the entry of the Order, comply with existing continuing disclosure undertakings, and, if not currently in compliance, update past delinquent filings, (iii) disclose in clear and conspicuous fashion the terms of the Offer in any official statement for an offering through the State Treasurer within five years of the institution of the proceedings, (iv) cooperate with any subsequent investigation by the SEC regarding false statements and/or material omissions and (v) not later than one year from the date of the institution of the proceedings, certify, in writing, compliance with the foregoing undertakings.

In a letter to the SEC dated August 22, 2017, the State Treasurer stated that written policies and procedures and periodic training regarding continuing disclosure obligations to effect compliance have been implemented. The State Treasurer also stated that the State was in compliance with all continuing disclosure obligations, including updating past delinquent filings if the State Treasurer was not in compliance with its continuing disclosure obligations. The State Treasurer has and intends to continue to fully disclose in a clear and conspicuous fashion the terms of the settlement accompanying the Order in any final official statement for offering by the State Treasurer within five years of the institution of proceedings.

The State Treasurer has updated its continuing disclosure procedures in order to comply with the Order and to ensure filings are done in accordance with its continuing disclosure agreements.

**Additional Information**

Additional information concerning the matters discussed in this section may be obtained from the Colorado Attorney General’s Office, 1300 Broadway, 6th Floor, Denver, Colorado 80203, Attention: Lori Ann F. Knutson, Esq., First Assistant Attorney General, telephone number: (720) 508-6153.

**MISCELLANEOUS**

The cover page, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement. The descriptions of the documents, statutes, reports or other instruments included herein do not purport to be comprehensive or definitive and are qualified in the entirety by reference to each such document, statute, report or other instrument. During the offering period of the Series 2024 Certificates, copies of the Act and certain other documents referred to herein may be obtained from the source provided in “INTRODUCTION—Miscellaneous.” So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

**OFFICIAL STATEMENT CERTIFICATION**

The preparation and distribution of this Official Statement have been authorized by the State Treasurer. This Official Statement is hereby approved by the Department of the Treasury as of the date on the cover page hereof.

**STATE OF COLORADO,  
acting by and through the Department of the  
Treasury**

By: \_\_\_\_\_  
Treasurer, State of Colorado



**DRAFT AND SUBJECT TO CHANGE**

**APPENDIX A**  
**State of Colorado Annual Comprehensive Financial Report**  
**for the Fiscal Year ended June 30, 2023**

(Pagination reflects the original printed document)

**APPENDIX B**  
**Forms of Master Indenture, Supplemental Indenture, Asset Agreement,**  
**Site Lease, and Site Sublease**

**APPENDIX C**  
**Form of Continuing Disclosure Undertaking**

This Continuing Disclosure Undertaking (the “**Disclosure Certificate**”) is executed and delivered by the State of Colorado (the “**State**”), acting by and through the Department of the Treasury, in connection with the execution and delivery of the captioned Certificates of Participation (the “**Series 2024 Certificates**”) evidencing assignments of proportionate interests in the right to receive certain payments payable under (a) the annually renewable State of Colorado, Series 2024 Financed Purchase of an Asset Agreement, dated as of \_\_\_\_\_, 2024, entered into by and between and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”) under the State of Colorado Higher Education Health Sciences Facilities Master Trust Indenture (the “**Master Indenture**”) as amended and supplemented by the Series 2024 Supplemental Trust Indenture (the “**Supplemental Indenture**”) dated \_\_\_\_\_ 1, 2024 (as amended and supplemented from time to time, the Master Indenture and Supplemental Indenture, collectively, the “**Indenture**”), as lessor, and the State, acting by and through the State Treasurer, as lessee, and (b) any other lease entered into by and between the Trustee, as lessor, and the State, as lessee, pursuant to the Indenture. The Series 2024 Certificates are being delivered pursuant to the Indenture and under authority granted by the laws of the State.

The State covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the State for the benefit of the Owners of the Series 2024 Certificates and in order to allow the Participating Underwriters (as defined by Rule 15c2-12) to comply with Rule 15c2-12.

**SECTION 2. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Financial Information” means the financial information or operating data with respect to the State, delivered at least annually pursuant to Section 3 hereof, of the type set forth in the Official Statement, including but not limited to, such financial information and operating data under **Appendix E**—“THE STATE GENERAL FUND,” and **Appendix I**—“STATE PENSION SYSTEM.”

“Audited Financial Statements” means the annual financial statements for the State, prepared in accordance with generally accepted accounting principles as applicable to governmental entities as in effect from time to time, audited by the State Auditor.

“Events” means any of the events listed in Section 4(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board. As of the date hereof, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” means the final Official Statement delivered in connection with the original issue and sale of the Series 2024 Certificates.

“Owner of the Series 2024 Certificates” means the registered owner of the Series 2024 Certificates, and so long as the Series 2024 Certificates are subject to the book entry system, any Beneficial Owner as such term is defined in the Indenture.

“Rule 15c2-12” shall mean Rule 15c2-12 adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Information.

(a) Commencing with the Fiscal Year ended June 30, 2024, and annually while the Series 2024 Certificates remain outstanding, the State shall provide to the MSRB the Annual Financial Information and Audited Financial Statements.

(b) Such Annual Financial Information shall be provided by the State not later than 270 days after the end of each Fiscal Year of the State. The Audited Financial Statements will also be provided not later than 270 days after the end of each Fiscal Year; provided, however, that in the event the Audited Financial Statements are not available within the time specified, such Audited Financial Statements will be provided thereafter as soon as they are available.

(c) The State may provide Annual Financial Information and Audited Financial Statements by specific cross-reference to other documents which have been submitted to the MSRB or filed with the U.S. Securities and Exchange Commission. If the document so referenced is a final official statement within the meaning of Rule 15c2-12, such final official statement must also be available from the MSRB. The State shall clearly identify each such other document so incorporated by cross-reference.

SECTION 4. Reporting of Events.

(a) The State shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the Event, notice of any of the Events listed below with respect to the Series 2024 Certificates:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancement relating to the Series 2024 Certificates reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2024 Certificates, or other material events or events affecting the tax status of the Series 2024 Certificates.
7. Modifications to the rights of the security holders, if material.
8. Certificate calls (other than mandatory sinking fund redemption), if material, and tender offers.
9. Defeasances.

10. Release, substitution or sale of property securing repayment of the securities, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the obligated person (as defined in Rule 15c2-12).<sup>3</sup>

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation<sup>4</sup> of the State or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the State or obligated person, any of which affect the Owners of the Series 2024 Certificates, if material.

16. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of the Financial Obligation of the State or obligated person, any of which reflect financial difficulties.

(b) At any time when the Series 2024 Certificates are Outstanding and the State obtains knowledge of the occurrence of an Event, the State shall determine if any Event under subsection (a)(2)(7),(8), with respect to calls but not tender offers, (10), (13) or (14) would constitute material information for Owners of the Series 2024 Certificates.

(c) At any time the Series 2024 Certificates are outstanding, the State shall provide, in a timely manner after the occurrence thereof, to the MSRB, notice of any failure of the State to timely provide the Annual Financial Information as specified in Section 3 hereof.

**SECTION 5. Format; Identifying Information.** All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

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<sup>3</sup> For the purposes of this event identified in Section 4(a)(12) hereof, the event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person

<sup>4</sup> "Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 6. Term. This Disclosure Certificate shall be in effect from and after the execution and delivery of the Series 2024 Certificates and shall extend to the earliest of (a) the date all principal and interest on the Series 2024 Certificates shall have been deemed paid pursuant to the terms of the Indenture; (b) the date that the State shall no longer constitute an “obligated person” with respect to the Series 2024 Certificates within the meaning of Rule 15c2-12; and (c) the date on which those portions of Rule 15c2-12 which require this Disclosure Undertaking are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series 2024 Certificates, which determination may be made in any manner deemed appropriate by the State, including by an opinion of an attorney or firm of attorneys experienced in federal securities law selected by the State. The State shall file a notice of any such termination with the MSRB.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the State may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is required or permitted by Rule 15c2-12. Written notice of any such amendment or waiver shall be provided by the State to the MSRB, and the Annual Financial Information shall explain the reasons for the amendment and the impact of any change in the type of information being provided.

SECTION 8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other annual information or notice of occurrence of an event which is not an Event, in addition to that which is required by this Disclosure Certificate; provided that the State shall not be required to do so. If the State chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Certificate, the State shall have no obligation under this Disclosure Certificate to update such information or include it in any future annual filing or notice of occurrence of an Event.

SECTION 9. Default and Enforcement. If the State fails to comply with any provision of this Disclosure Certificate, any Owner of the Series 2024 Certificates may take action to seek specific performance by court order to compel the State to comply with its undertaking in this Disclosure Certificate; provided that any Certificate Owner seeking to require the State to so comply shall first provide at least 30 days’ prior written notice to the State Treasurer of the State’s failure (giving reasonable details of such failure), following which notice the State shall have 30 days to comply and, provided further, that only the Owners of no less than a majority in aggregate principal amount of the Series 2024 Certificates may take action to seek specific performance in connection with a challenge to the adequacy of the information provided by the State in accordance with this Disclosure Certificate, after notice and opportunity to comply as provided herein, and such action shall be taken only in a court of jurisdiction in the State. A DEFAULT UNDER THIS DISCLOSURE CERTIFICATE SHALL NOT BE DEEMED AN EVENT OF DEFAULT UNDER THE INDENTURE OR THE SERIES 2024 CERTIFICATES, AND THE SOLE REMEDY UNDER THIS DISCLOSURE CERTIFICATE IN THE EVENT OF ANY FAILURE OF THE STATE TO COMPLY WITH THIS DISCLOSURE CERTIFICATE SHALL BE AN ACTION TO COMPEL PERFORMANCE.

SECTION 10. Beneficiaries. The Disclosure Certificate shall inure solely to the benefit of the State, the Participating Underwriters and Owners from time to time of the Series 2024 Certificates and shall create no rights in any other person or entity.

**DRAFT AND SUBJECT TO CHANGE**

IN WITNESS WHEREOF, the State has caused this Continuing Disclosure Undertaking to be executed effective as of \_\_\_\_\_, 2024.

**STATE OF COLORADO, acting by and through the  
Department of the Treasury**

By: \_\_\_\_\_  
State Treasurer

**APPENDIX D**  
**Form of Bond Counsel Opinion**

[From Greenberg Traurig]



## **APPENDIX E**

### **The State General Fund**

#### **General**

The General Fund is the principal operating fund of the State. All revenues and money not required by the State Constitution or statutes to be credited and paid into a special State fund are required to be credited and paid into the General Fund. As required by changes in GAAP, the General Fund reported in the State's Fiscal Year 2010-11 ACFR and subsequent ACFRs includes a large number of statutorily created special State funds that do not meet the GAAP requirements to be presented as Special Revenue Funds. To make the distinction between the statutory General Fund and the GAAP General Fund, the ACFR refers to the statutory General Fund as the General Purpose Revenue Fund. The revenues in the General Purpose Revenue Fund are not collected for a specific statutory use but rather are available for appropriation for any purpose by the General Assembly. The following discussion of the General Fund represents the legal and accounting entity referred to in the State's Fiscal Year 2022-23 ACFR as the General Purpose Revenue Fund.

#### **General Fund Revenue Sources**

The major revenue sources to the General Fund are individual and corporate income taxes and sales and use taxes. The State also imposes excise taxes on the sale of cigarettes, tobacco products and liquor, and receives revenues from a diverse group of other sources such as insurance taxes, pari-mutuel taxes, interest income, court receipts and gaming taxes. The following table sets forth the State's receipts from major revenue sources for the past five Fiscal Years, as well as current OSPB estimates for Fiscal Years 2023-24, 2024-25 and 2025-26. See also "Revenue Estimation; OSPB Revenue and Economic Forecasts" in this Appendix and **Appendix G**—"OSPB JUNE 2024 REVENUE FORECAST," as well as "PRELIMINARY NOTICES—Cautionary Statement Regarding Projections, Estimates and Other Forward-Looking Statements in this Official Statement" at the beginning of this Official Statement.

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**State of Colorado**  
**General Fund Revenue Sources<sup>1</sup>**  
**Fiscal Years 2019-20 through 2025-26**  
 (Accrual basis; dollar amounts expressed in millions)

Revenue Source	Actual								OSP June 2024 Revenue Forecast					
	Fiscal Year 2019-20		Fiscal Year 2020-21		Fiscal Year 2021-22		Fiscal Year 2022-23		Estimate Fiscal Year 2023-24		Estimate Fiscal Year 2024-25		Estimate Fiscal Year 2025-26	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Excise Taxes:</b>														
Sales Tax <sup>1</sup>	\$ 3,196.0	4.7%	\$ 3,418.1	6.9%	\$ 4,089.0	19.6%	\$ 4,301.6	5.2%	\$ 4,339.1	0.9%	\$ 4,567.3	5.3%	\$ 4,813.9	5.4%
Use Tax	210.5	(39.1)	214.2	1.8	232.6	8.6	251.2	8.0	233.2	(7.2)	256.7	10.1	272.2	6.0
Retail Marijuana Sales – 15% Special Sales Tax <sup>1</sup>	245.5	27.4	288.2	17.4	258.7	(10.2)	219.9	(15.0)	200.6	(8.8)	215.5	7.4	228.3	5.9
Cigarette Tax	32.5	(0.1)	30.1	(7.3)	26.0	(13.8)	23.9	(7.9)	21.7	(9.3)	20.5	(5.6)	19.6	(4.2)
Tobacco Products	24.4	9.5	29.0	19.1	26.6	(8.3)	23.7	(11.0)	21.6	(8.9)	22.7	5.3	22.4	(1.5)
Liquor	50.1	3.7	53.4	6.6	56.3	5.6	56.3	(0.1)	55.9	(0.7)	56.4	0.9	57.4	1.7
Proposition EE <sup>2</sup>	--	--	49.0	N/A	208.0	324.3	235.0	13.0	210.5	(10.4)	233.0	10.7	232.7	(0.1)
Total Excise Taxes	3,759.0	1.7	4,082.1	8.6	4,897.2	20.0	5,111.7	4.4	5,082.6	(0.6)	5,372.2	5.7	5,646.5	5.1
<b>Income Taxes:</b>														
Net Individual Income Tax	8,644.9	4.8	9,478.1	9.6	11,717.8	23.6	10,952.7	(6.5)	10,261.0	(6.3)	10,607.9	3.4	10,987.2	3.6
Net Corporate Income Tax	728.3	(20.8)	1,183.7	62.5	1,568.6	32.5	2,366.7	50.9	2,636.3	11.4	2,130.6	(19.2)	2,267.1	6.4
Total Income Taxes	9,373.2	2.3	10,661.8	13.7	13,286.4	24.6	13,319.5	0.2	12,897.3	(3.2)	12,738.5	(1.2)	13,254.3	4.0
Less: State Education Fund Diversion <sup>3</sup>	(646.7)	(6.7)	874.6	35.2	993.5	13.6	1,066.4	7.3	1,209.0	13.4	1,116.5	(7.7)	1,175.7	5.3
Less: Proposition 123 Diversion <sup>4</sup>	--	--	--	--	0.0	N/A	160.0	N/A	324.0	102.5	335.0	3.4	352.7	5.3
Less: Healthy School Meals	--	--	--	--	--	--	0.0	N/A	0.0	N/A	130.5	N/A	121.0	(7.3)
Total Income Taxes to the General Fund	8,726.5	3.0	9,787.2	12.2	12,292.9	25.6	12,093.1	(1.6)	11,364.3	(6.1)	11,156.5	(1.8)	11,604.9	4.0
<b>Other Revenues:</b>														
Insurance	337.4	7.2	336.3	(0.3)	390.2	16.0	516.7	32.4	573.3	11.0	630.1	9.9	646.1	2.5
Interest Income	31.1	17.2	50.0	60.9	69.2	38.3	188.4	172.2	263.4	39.8	197.4	(25.0)	135.2	(31.5)
Pari-Mutuel	0.4	(23.7)	0.3	(21.2)	0.4	34.8	0.3	(20.4)	0.3	4.4	0.4	4.3	0.4	0.8
Court Receipts	3.9	(6.7)	3.5	(9.8)	2.4	(31.4)	3.1	30.6	3.1	(0.6)	3.1	0.4	3.1	0.2
Other Income	9.7	(80.2)	50.7	423.4	45.6	(10.1)	84.8	85.9	50.2	(40.8)	53.4	6.5	53.8	0.8
Total Other	382.5	(3.1)	440.9	15.3	507.8	15.2	793.3	56.2	890.4	12.2	884.5	(0.7)	838.6	(5.2)
<b>Gross General Fund</b>	<b>\$12,868.0</b>	<b>2.4%</b>	<b>\$14,310.1</b>	<b>11.2%</b>	<b>\$17,697.9</b>	<b>23.7%</b>	<b>\$17,998.0</b>	<b>1.7%</b>	<b>\$17,337.3</b>	<b>(3.7)%</b>	<b>\$17,413.1</b>	<b>0.5%</b>	<b>\$18,090.1</b>	<b>3.9%</b>

<sup>1</sup> State voters approved Proposition AA in November of 2013, which included the imposition by the State of a sales tax of 10% on sales of retail marijuana and retail marijuana products effective January 2014. Per SB 17-267, this tax was increased to 15% effective July 1, 2017. The revenue derived from this sales tax is shared by the State and local governments where such sales occur. Per SB 17-267, for Fiscal Year 2020-21, 28.15% of the State share of this revenue, less \$30 million, was required to be retained in the General Fund, 71.85% transferred to the Marijuana Tax Cash Fund and \$30 million credited to the Public School Fund and distributed to rural school districts. Proposition AA also approved the imposition by the State of an excise tax of 15% on certain sales of unprocessed retail marijuana effective January 2014 that does not flow through the General Fund but is mostly credited directly to a cash fund for public school capital construction projects. See “STATE FINANCIAL INFORMATION – Taxpayers’ Bill of Rights – Voter Approval to Retain and Spend Certain Marijuana Taxes Associated with Proposition AA.”

<sup>2</sup> State voters approved Proposition EE, a ballot measure referred to the voters by HB 20-1427, in November of 2020, which imposes additional taxes on cigarettes and other tobacco products and creates a tax on other nicotine products such as e-cigarettes. Specifically, Proposition EE (a) adds a tax of \$1.10 per pack of cigarettes, more than doubling the then-current tax of \$0.84 per pack, (b) increases the tax on other tobacco products by 10% (from 40% to 50%) of manufacturer’s list price, and (c) creates a tax on other nicotine products, starting at 30% of manufacturer’s list price and increasing to 50% of manufacturer’s list price by the end of Fiscal Year 2022-23. Through Fiscal Year 2022-23, revenue from the Proposition EE-imposed taxes is largely transferred to the State Education Fund, with smaller amounts going to the Rural Schools Cash Fund, the Housing Development Grant Fund, the Tobacco Tax Cash Fund, the Eviction Legal Defense Fund and the Preschool Programs Cash Fund. The constitutionality of a provision of HB 20-1427 that mandates a minimum retail price for cigarettes sold in Colorado is currently being challenged, although a negative outcome of such litigation is not expected to have a material adverse impact on these forecasted revenues.

<sup>3</sup> All individual and corporate income tax revenues are deposited to the General Fund and then a portion of the amount is diverted by law to the State Education Fund.

<sup>4</sup> Proposition 123, an initiated measure approved by the State’s voters at the general election held on November 8, 2022, creates the State Affordable Housing Fund and dedicates 0.1% of State income tax revenue to fund various housing programs.

Source: Office of State Planning and Budgeting

## General Fund Overview

The following table summarizes the actual revenues, expenditures and changes in fund balances for the General Fund for the Fiscal Years 2019-20 through 202-23, as well as the current OSPB estimates for Fiscal Years 2023-24 through 2025-26 from the OSPB June 2024 Revenue Forecast. Any new budget information will be incorporated in subsequent OSPB revenue forecasts. The format of the following table is used by the State in developing its annual budget, as discussed in “STATE FINANCIAL INFORMATION—Budget Process and Other Considerations.” See also “Revenue Estimation; OSPB Revenue and Economic Forecasts” in this Appendix and **Appendix G**—“OSPB JUNE 2024 REVENUE FORECAST,” as well as the Preliminary Notices on the inside cover page of this Official Statement regarding forward-looking statements.

**DRAFT AND SUBJECT TO CHANGE**

**State of Colorado  
General Fund Overview  
Fiscal Years 2019-20 through 2025-26**

(Dollar amounts unless otherwise indicated and expressed in millions. Totals may not add due to rounding.)

	Actual (Unaudited) <sup>1</sup>				OSP June 2024 Revenue Forecast <sup>2</sup>		
	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Estimate Fiscal Year 2023-24	Estimate Fiscal Year 2024-25	Estimate Fiscal Year 2025-26
<b>Revenue</b>							
Beginning Reserve	\$ 1,262.6	\$ 1,825.7	\$ 3,181.5	\$ 3,203.2	\$ 2,427.4	\$ 1,911.6	\$ 2,279.4
Gross General Fund Revenue	12,868.0	14,310.1	17,697.9	17,998.0	17,337.3	17,413.1	18,090.1
Transfers to the General Fund	248.0	336.8	71.3	53.5	92.4	164.2	58.9
<b>TOTAL GENERAL FUND AVAILABLE</b>	<b>14,378.6</b>	<b>16,472.6</b>	<b>20,950.8</b>	<b>21,254.8</b>	<b>19,857.1</b>	<b>19,488.9</b>	<b>20,428.4</b>
<b>Expenditures</b>							
Appropriation Subject to Limit <sup>3</sup>	11,805.2	10,979.1	12,031.2	13,308.1	13,933.9	15,330.2	16,369.8
Dollar Change From Prior Year	546.4	(826.1)	1,052.1	1,266.9	625.8	1,396.3	1,039.6
Percent Change From Prior Year	4.9%	(7.0)%	9.6%	10.5%	4.7%	10.0%	6.8%
<b>Spending Outside Limit</b>	<b>910.5</b>	<b>2,347.9</b>	<b>5,797.5</b>	<b>5,719.1</b>	<b>4,011.7</b>	<b>1,879.3</b>	<b>1,644.5</b>
TABOR Refund under Subsection (7)(d) <sup>4</sup>	0.0	547.9	3,848.1	3,678.3	1,446.8	695.0	867.3
Homestead Exemption (Net of TABOR Refund) <sup>4</sup>	0.0	157.9	0.0	0.1	0.0	0.0	0.0
Other Rebates and Expenditures <sup>5</sup>	145.7	137.9	149.6	168.6	225.9	181.1	179.6
Transfers for Capital Construction <sup>6</sup>	213.6	43.0	354.0	493.2	392.6	254.1	50.0
Transfers for Transportation <sup>6</sup>	300.0	30.0	512.9	88.0	5.0	117.5	117.5
Transfers to State Education Fund	40.3	113.0	123.0	290.0	0.0	146.0	0.0
Transfers to Other Funds <sup>7</sup>	210.9	1,318.3	809.9	1,000.8	1,941.3	485.7	430.0
<b>TOTAL GENERAL FUND OBLIGATIONS</b>	<b>12,715.6</b>	<b>13,327.0</b>	<b>17,828.7</b>	<b>19,027.2</b>	<b>17,945.6</b>	<b>17,209.5</b>	<b>18,014.2</b>
Percent Change from Prior Year	(1.1)%	4.8%	33.8%	6.7%	(5.7)%	(4.1)%	4.7%
Reversions and Accounting Adjustments <sup>8</sup>	(160.3)	(32.4)	(79.8)	(199.8)	0.0	0.0	0.0
<b>Reserves</b>							
Year-End General Fund Balance	1,823.2	3,178.0	3,201.9	2,427.4	1,911.6	2,279.4	2,414.2
Year-End General Fund as a % of Appropriations	15.4%	28.9%	26.6%	18.2%	13.9%	14.9%	14.7%
General Fund Statutory Reserve Amount <sup>9</sup>	362.4	314.0	1,612.2	1,996.2	2,025.4	2,314.8	2,414.2
Unappropriated Reserve Percentage <sup>9</sup>	3.07%	2.86%	13.4%	15.0%	14.7%	15.1%	14.7%
Amount Above (Below) Statutory Reserve <sup>10</sup>	1,460.8	2,864.0	1,589.7	431.2	(113.9)	(35.4)	0.0

<sup>1</sup> This table is unaudited, although some of the figures reported in these columns are identified by the OSPB from the State's ACFRs which are audited for the applicable Fiscal Years.

<sup>2</sup> Fiscal Year 2023-24 and Fiscal Year 2024-25 expenditures and transfers reflect all legislation signed by the Governor through the end of the 2024 legislative session. Fiscal Year 2025-26 appropriations will be adopted in future budget legislation, and therefore Fiscal Year 2025-26 expenditures and fund balance projections are illustrative only.

<sup>3</sup> Total State appropriations during this period have been limited to such moneys as are necessary for reappraisals of any class or classes of taxable property for property tax purposes as required by Section 39-1-105.5, C.R.S., plus an amount equal to 5.0% of Colorado personal income.

<sup>4</sup> Current law requires TABOR refunds to be accounted for in the year the excess revenue is collected, although the refunds are actually made in subsequent Fiscal Years in accordance with the procedure described in "STATE FINANCIAL INFORMATION – Taxpayers' Bill of Rights – Fiscal Year Revenue and Spending Limits; Referendum C" and "APPENDIX B – OSPB JUNE 2024 REVENUE FORECAST – TABOR Outlook." The amounts to be refunded to taxpayers include adjustments resulting from: (a) changes that were made to State accounting records for years in which TABOR refunds occurred that resulted in changes in required refunds to taxpayers and (b) refunds to taxpayers in previous years being different than the actual amount required. Such adjustments are held by the State until a future year in which a TABOR refund occurs when the total refund amount distributed to taxpayers is adjusted.

<sup>5</sup> Other Rebates and Expenditures generally includes the Cigarette Rebate, which distributes money from a portion of State cigarette tax collections to local governments that do not impose their own taxes or fees on cigarettes; the Marijuana Rebate, which distributes 15% of the retail marijuana sales tax to local governments based on the percentage of retail marijuana sales in local areas; the Old Age Pension program, which provides assistance to low-income elderly individuals who meet certain eligibility requirements; the Property Tax, Heat and Rent Credit, which provides property tax, heating bill or rent assistance to qualifying low-income disabled or elderly individuals. The Homestead Property Tax Exemption is shown as a separate category as the result of SB 17-267, which added as the first TABOR refund mechanism amounts reimbursed to county treasurers in the year of the TABOR refund for local property tax revenue losses attributable to the Homestead Property Tax Exemption as discussed in "STATE FINANCIAL INFORMATION – Taxpayers' Bill of Rights – Fiscal Year Revenue and Spending Limits; Referendum C." See also "SOURCE OF PAYMENT OF PROGRAM LOANS – Ad Valorem Property Taxation Procedure – Homestead Exemption."

[Notes continued on next page]

- <sup>6</sup> Section 24-75-219, C.R.S., requires certain transfers from the General Fund to the Highway Users Tax Fund and the Capital Construction Fund, commonly referred to as “228” transfers based on SB 09-228 which originally provided for the transfers. The amounts of the 228 transfers were revised per HB 16-1416 and SB 17-262. In addition, SB 18-001 commits General Fund revenue for transportation projects in Fiscal Year 2019-20. However, such transfers may be modified by the General Assembly.
- <sup>7</sup> State law requires transfers of General Fund money to various State cash funds. Generally, the largest transfer relates to the special sales tax on retail marijuana, portions of which are transferred from the General Fund to the Marijuana Tax Cash Fund and to fund the Public School Fund. See Note 1 to the table in “General Fund Revenue Sources” above. However, due to the risk of lower than expected severance tax revenues in Fiscal Year 2017-18 and thereafter, HB 18-1338 requires General Fund transfers to various severance tax cash funds to protect program funding, and also requires an equivalent amount of future severance tax revenue to be diverted to the General Fund to repay these transfers.
- <sup>8</sup> This line includes any General Fund money not expended out of appropriations each fiscal year that was “reverted” back to the General Fund, as well as various accounting adjustments made by the State Controller’s office each year.
- <sup>9</sup> The Unappropriated Reserve requirement, codified as Section 24-75-201.1(1)(d), C.R.S., is a percentage of the amount appropriated for expenditure from the General Fund in the applicable Fiscal Year. For Fiscal Years 2023-24 through 2025-26, the Unappropriated Reserve requirement is temporary adjusted slightly from 15% per HB 24-1231 and HB 24-1466. See “STATE FINANCIAL INFORMATION – Budget Process and Other Considerations – *Revenues and Unappropriated Amounts*” and “DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS – The State, State Departments and Agencies,” as well as “Budget Outlook – General Fund” in the OSPB June 2024 Revenue Forecast appended to this Official Statement.
- <sup>10</sup> Under current law, all amounts remaining in the General Fund in excess of the statutory reserve become part of the beginning reserve and funds available in the following Fiscal Year.
- Source: Office of State Planning and Budgeting

## Revenue Estimation; OSPB Revenue and Economic Forecasts

***Revenue Estimating Process.*** The State relies on revenue estimation as the basis for establishing aggregate funds available for expenditure for its appropriation process. By statute, the OSPB is responsible for developing a General Fund revenue estimate. No later than June 20th prior to the beginning of each Fiscal Year, and no later than September 20th, December 20th and March 20th within each Fiscal Year, the Governor, with the assistance of the State Controller and the OSPB, is required to make an estimate of General Fund revenues for the current and certain future years. The revenue estimates are not binding on the General Assembly in determining the amount of General Fund revenues available for appropriation for the ensuing Fiscal Year. The revenue estimates may be subject to more frequent review and adjustment in response to significant changes in economic conditions, policy decisions and actual revenue flow.

The most recent OSPB revenue forecast was issued on June 20, 2024, and is included in this Official Statement as **Appendix F**—“OSPB JUNE 2024 REVENUE FORECAST.” The OSPB June 2024 Revenue Forecast projects revenues for Fiscal Years 2023-24 through 2025-26. The amounts forecast for Fiscal Years 2023-24 and 2025-2026 are summarized in “General Fund Revenue Sources” and “General Fund Overview” above in this Appendix.

The OSPB begins estimating revenue by obtaining macroeconomic forecasts for national and State variables. The national forecast for the OSPB June 2024 Revenue Forecast is generated using internal modeling for GDP growth and corresponding assumptions for other variables across the economy. From there, OSPB forecasts the State economy using models developed in-house, with assumptions differentiating the State from the national economy.

The model of the State economy is updated quarterly. This model is comprised of numerous dynamic regression equations and identities. This model is comprised of numerous dynamic regression equations that express relationships between key variables at the State and national level. Accordingly, OSPB uses the national economic indicators as inputs for many of the State economic variables. The model of the State economy generates forecasts of key indicators such as employment, retail sales, inflation and personal income. These forecasts are then used as inputs to revenue forecasts for income tax receipts, corporate collections, sales tax receipts, etc.

The econometric model used to forecast General Fund revenue relies on the economic data estimated using the model of the State economy discussed above. The models used for forecasting General

Fund revenues incorporate changes in policy, both State and federal, as well as changes in the economic climate and historical patterns. The General Fund models are comprised of regression equations for many of the revenue categories. There are three main categories of tax revenues: excise tax receipts, income tax receipts and other tax receipts. The General Fund models forecast the majority of the categories of General Fund receipts separately. For example, the model forecasts each type of income tax receipt (withholding, estimated payments, cash with returns and refunds) individually and then aggregates the numbers to arrive at a net individual income tax receipts forecast. However, for corporate income tax receipts and sales tax collections, the model forecasts only the aggregate amount for these revenues. For many of the smaller tax revenue categories, simple trend analyses are generally utilized to derive a forecast.

**Revenue Shortfalls.** The State's Fiscal Year budgets are prepared, and surplus revenues are determined using the modified accrual basis of accounting in accordance with the standards promulgated by GASB, with certain statutory exceptions. As a result, although the Fiscal Year budgets are balanced and, based upon the current forecast, there is anticipated to be an Unappropriated Reserve. The State may experience temporary and cumulative cash shortfalls. This is caused by differences in the timing of the actual receipt of cash revenues and payment of cash expenditures by the State compared to the inclusion of such revenues and expenditures in the State's Fiscal Year budgets on an accrual basis, which does not take into account the timing of when such amounts are received or paid. Also, prior forecasts of General Fund revenue may have overestimated the amount the State would receive for the Fiscal Year.

Whenever the Governor's revenue estimate for the current Fiscal Year indicates that General Fund expenditures for such Fiscal Year, based on appropriations then in effect, will result in the use of one-half or more of the Unappropriated Reserve, the Governor is required to formulate a plan for the General Fund expenditures so that the Unappropriated Reserve as of the close of the Fiscal Year will be at least one-half of the required amount. The Governor is required by statute to notify the General Assembly of the plan and to promptly implement it by: (i) issuing an executive order to suspend or discontinue, in whole or in part, the functions or services of any department, board, bureau or agency of the State government; (ii) approving the action of other State officials to require that heads of departments set aside reserves out of the total amount appropriated or available (except the cash funds of the Department of Education); or (iii) after a finding of fiscal emergency by a joint resolution of the General Assembly approved by the Governor, taking such actions necessary to be utilized by each principal department and institution of higher education to reduce State personnel expenditures.

The next OSPB revenue forecast will be released in September of 2024. General Fund revenue projections in this and subsequent OSPB revenue forecasts may be materially different from the OSPB June 2024 Revenue Forecast if economic conditions change markedly. If a revenue shortfall is projected for Fiscal Year 2024-25 and subsequent forecasted years, which would result in a budgetary shortfall, budget cuts and/or actions to increase the amount of money in the General Fund will be necessary to ensure a balanced budget. See "CERTAIN RISK FACTORS—State Budgets and Revenue Forecasts."

### **Investment of the State Pool**

**General.** The investment of public funds by the State Treasurer is subject to the general limitations discussed in "STATE FINANCIAL INFORMATION—Investment and Deposit of State Funds." The State Treasurer has adopted investment policies further restricting the investment of State pool money, which includes the General Fund. The purpose of these investment policies is to limit investment risk by limiting the amount of the portfolio that may be invested in particular types of obligations, or in obligations of particular issuers or in particular issues, by imposing rating or financial criteria for particular types of investments more restrictive than those required by law, and by limiting the maximum term of certain types of investments. A minimum of 10% of the portfolio is required to be held in U.S. Treasury securities. Any reverse repurchase agreements may be for interest rate arbitrage only, and not for liquidity or leverage

purposes. Each reverse repurchase agreement and the total investment it is arbitrated against must be closely matched in both dollar amount and term.

***Fiscal Years 2022-23 and 2023-24 Investments of the State Pool.*** The following table sets forth the investment by category of the money in the State Pool as of the end of each month in Fiscal Year 2022-23 and 2023-24 for which information is available.

*[Remainder of page intentionally left blank]*

**State of Colorado**  
**State Pool Portfolio Mix**  
**Fiscal Year 2022-23**

(Amounts expressed in millions)<sup>1</sup>

	July 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Agency CMOs	\$ 682.0	\$ 705.0	\$ 742.9	\$ 736.5	\$ 752.1	\$ 748.3	\$ 744.2	\$ 740.5	\$ 786.1	\$ 780.5	\$ 776.1	\$ 771.2
Commercial Paper	4,606.1	3,910.9	4,082.3	4,175.7	3,808.5	3,378.0	3,650.2	3,263.5	3,677.7	4,255.1	4,976.6	4,528.4
U.S. Treasury Notes	3,265.3	3,270.7	3,351.5	3,330.7	3,231.0	3,230.7	3,511.9	3,599.4	3,599.1	3,830.4	4,317.3	4,376.7
Federal Agencies	1,237.1	1,497.9	1,864.2	1,864.5	1,497.2	1,917.6	2,313.3	2,476.4	2,040.1	1,595.2	1,380.6	1,440.8
Asset-Backed Securities	522.6	513.4	496.7	492.0	487.5	481.5	476.7	469.1	466.0	527.7	508.2	507.6
Money Market	3,915.0	1,940.0	1,550.0	835.0	1,050.0	1,050.0	1,590.0	1,465.0	1,645.0	2,335.0	1,325.0	1,125.0
Corporates	7,307.5	7,748.3	7,887.7	7,904.7	7,679.7	7,784.2	7,846.6	7,709.5	7,574.7	7,585.7	7,572.1	7,597.3
Certificates of Deposit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Totals</b>	<b>\$21,535.6</b>	<b>\$19,586.2</b>	<b>\$19,975.3</b>	<b>\$19,339.1</b>	<b>\$18,506.0</b>	<b>\$18,590.3</b>	<b>\$20,132.9</b>	<b>\$19,723.4</b>	<b>\$19,788.7</b>	<b>\$20,909.6</b>	<b>\$20,855.9</b>	<b>\$20,347.0</b>

<sup>1</sup> This table includes all moneys in the State Pool, which includes the General Fund, Borrowable Resources and other moneys that are invested by the State Treasurer.

Source: State Treasurer's Office

**State of Colorado**  
**State Pool Portfolio Mix**  
**Fiscal Year 2023-24**

(Amounts expressed in millions)<sup>1</sup>

	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024
Agency CMOs	\$ 766.3	\$ 835.5	\$ 2,706.9	\$ 2,947.4	\$ 2,887.9	\$ 3,009.7	\$ 3,145.2	\$ 3,203.4	\$ 3,184.1	\$ 3,163.5	\$ 3,401.4
Commercial Paper	4,570.7	4,237.6	4,571.3	4,946.8	5,184.9	5,115.2	5,825.6	4,836.6	4,804.4	5,550.5	5,225.5
U.S. Treasury Notes	4,494.5	4,494.9	4,457.2	4,139.4	3,973.6	3,978.4	4,580.8	5,323.6	4,863.0	4,197.9	3,955.0
Federal Agencies	1,689.1	1,730.6	1,897.2	1,726.2	1,524.3	1,520.3	1,657.5	1,477.2	1,290.5	1,537.6	1,423.7
Asset-Backed Securities	507.0	506.5	501.6	493.3	483.9	479.3	468.2	448.8	434.8	420.0	405.0
Money Market	1,265.0	1,035.0	1,325.0	1,115.0	1,145.0	1,475.0	1,290.0	1,090.0	1,177.0	1,092.0	897.0
Corporates	7,548.6	7,495.9	5,536.8	5,521.7	5,445.9	5,480.8	5,414.1	5,257.4	4,915.1	5,049.3	5,077.5
Certificates of Deposit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Totals</b>	<b>\$20,841.2</b>	<b>\$20,336.0</b>	<b>\$20,996.0</b>	<b>\$20,889.8</b>	<b>\$20,645.5</b>	<b>\$21,058.7</b>	<b>\$22,381.4</b>	<b>\$21,637.0</b>	<b>\$20,668.9</b>	<b>\$21,010.8</b>	<b>\$20,385.1</b>

<sup>1</sup> This table includes all moneys in the State Pool, which includes the General Fund, Borrowable Resources and other moneys that are invested by the State Treasurer.

Source: State Treasurer's Office



**APPENDIX F**  
**OSPB June 2024 Revenue Forecast**

As discussed in **Appendix E**—“THE STATE GENERAL FUND—Revenue Estimation; OSPB Revenue and Economic Forecasts,” the OSPB prepares quarterly economic and revenue estimates and is currently forecasting for Fiscal Years 2022-23 through 2025-26. The forecasts include projections of General Fund revenues available for spending and end-of-year reserves through the forecast period. Budgeted General Fund spending levels are also included. The forecasts are based on historical patterns, with economic and legislative changes explicitly included in the models that forecast revenue growth and include both State and national economic forecasts.

The most recent OSPB Revenue Forecast was issued on June 20, 2024, and is included in its entirety in this Appendix. The pagination of this Appendix reflects the original printed document.

Prospective investors are cautioned that any forecast is subject to uncertainties, and inevitably some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasted and actual results, and such differences may be material. No representation or guaranty is made herein as to the accuracy of the forecasts. See also “PRELIMINARY NOTICES—Cautionary Statement Regarding Projections, Estimates and Other Forward-Looking Statements” at the beginning of this Official Statement.

*[Remainder of page intentionally left blank]*

**APPENDIX G**  
**Legal Descriptions for the Financed Assets<sup>1</sup>**

The following are the descriptions for the Financed Assets subject to the Site Sublease between the Trustee and the State relating to the Series 2024 Certificates to be outstanding upon the execution and delivery of the Series 2024 Certificates.

**UNC Financed Asset** [Final version to be provided by the Attorney General's Office.]

With the street address of 1200 West 20<sup>th</sup> Street, Greeley, CO 80639, the final facility will be approximately 102,000 GSF. The construction site is approximately 14 acres at the northeast corner of the larger 135-acre parcel. The site is bordered by West 20th Street on the north and 11th Avenue on the east. From 11th Avenue, it extends west ~850 feet and from West 20th Street it extends south ~750 feet. The legal description for the larger parcel is GR 12574 WEST CAMPUS ADD-PT NE4 18 5 65 (sourced from Weld County Property Report at <https://propertyreport.weld.gov/?account=R3569786>).

**CSU Financed Asset**

**Diagnostic Medical Center Building Legal Description**

A parcel of land located in the West half (W 1/2) of the Southeast quarter (SE 1/4) of Section Twenty-three (23), Township Seven North (T.7.N.), Range Sixty-nine West (R.69.W.), of the Sixth Principal Meridian (6th P.M.), County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Center section corner of said Section 23, THENCE South 23° 22' 44.96" East a distance of 1693.3 feet to the point of beginning (POB);

THENCE North 90° 00' 00" East a distance of 405 feet;

THENCE South 00° 00' 00" East a distance of 185 feet;

THENCE North 90° 00' 00" West a distance of 405 feet;

THENCE North 00° 00' 00" West a distance of 185 feet to the point of beginning (POB).

With a street address of: 2450 Gillette Drive, Fort Collins, CO 80526 is approximately 113,440 GSF.

**Metro State Financed Asset**

[To come]

**TSC Financed Asset**

All of Block 35, Bellview Subdivision, City of Alamosa, located in Section 10, Township 37 North, Range 10 East, County of Alamosa, Colorado.

With a street address of: 1011 Main St, Alamosa CO 81101 is approximately \_\_\_\_ GSF.

<sup>1</sup> The Financed Assets shown on this list, or any portion thereof, may be released and other property substituted therefor as described in "Substitution of Financed Asset" under "SECURITY AND SOURCES OF PAYMENT—The Financed Asset—Substitution of Financed Asset."

**APPENDIX H**  
**Certain State Economic and Demographic Information**

[To Come]

## APPENDIX I State Pension System

*The information included in this Appendix is based on information compiled and presented in the Public Employees' Retirement Association ("PERA") Annual Comprehensive Financial Report for the Plan Year ended December 31, 2023 (the "PERA 2023 ACFR"). The PERA 2023 ACFR was prepared by PERA staff employees and Segal, PERA's independent actuary, and audited by CliftonLarsonAllen LLP, PERA's independent public accounting firm. The valuations and other assessments of PERA constitute forward-looking information as described in the preliminary notices in this Official Statement because they are based on assumptions about future events. The assumptions underlying the valuations and assessments may prove to be inaccurate and may be changed by PERA and its representatives and consultants to reflect actual results and future projections as additional information becomes available. The State takes no responsibility for the accuracy, validity or completeness of such information, valuations and assessments. The PERA 2023 ACFR is not incorporated in this Official Statement by reference or otherwise, and the State makes no representations regarding the accuracy of the information in the PERA 2023 ACFR.*

The information regarding PERA in the State Fiscal Year 2022-23 ACFR is derived from PERA's Annual Comprehensive Financial Report for the Plan Year ended December 31, 2022 (the "**PERA 2022 ACFR**"), while the information regarding PERA in this Official Statement is derived from the PERA 2023 ACFR.

### General Description

**Overview.** The State of Colorado, like most other state and local governments, provides post-employment benefits to its employees based on their work tenure and earnings history. By statute, the State created PERA, which administers cost-sharing, multiple-employer defined benefit plans to provide retirement, death and disability benefits through the State Division Trust Fund, which is for most State employees (the "**State Division**"), the Judicial Division Trust Fund (for judges in the State), the School Division Trust Fund (for employees of school districts other than Denver County School District No. 1, commonly known as Denver Public Schools and previously defined herein as "**DPS**"), the Denver Public Schools Division (for employees of DPS) and the Local Government Division Trust Fund (for employees of numerous municipalities and other local governmental entities). The defined benefit plan for the State Division is referred to herein as the "**State Division Plan.**"

As described in more detail under the caption "Funding of the State Division Plan" below, the State Division Plan is funded with payments made by the State and by each employee in amounts which are determined and established by statute. Benefits provided through the State Division Plan are paid from the State Division Trust Fund. State employees hired after 2005 may elect, in lieu of participating in the State Division Plan, to participate in a defined contribution plan (the "**State Division DC Plan**") which is also administered by PERA. However, the majority of State employees participate in the State Division Plan. Except to the extent provided in SB 18-200 discussed in "Funding of the State Division Plan – *Statutorily Required Contributions*" hereafter in this Appendix, the State has no obligation to make contributions or fund benefits for Divisions other than the State Division and the Judicial Division of PERA. See Notes 1 and 8 to the financial statements in the PERA 2023 ACFR for a discussion of the membership in the State Division Plan and the State Division DC Plan, respectively. See also Management's Discussion and

Analysis and Notes 6-8 to the financial statements in the State Fiscal Year 2022-23 ACFR appended to this Official Statement for a description of the State Division Plan and the State Division DC Plan.

Because the majority of State employees participate in the State Division Plan and not in the State Division DC Plan, and the number of judges employed by the State that participate in the Judicial Division is relatively small in comparison to the number of other State employees, the State pension benefits disclosure in this Official Statement generally relates only to the State Division Plan.

The State does not participate in the federal Old-Age, Survivors and Disability Insurance (Social Security) program.

**PERA.** PERA is a legal entity created by statute in 1931 that is separate from the State as further described in Article 51 of Title 24, C.R.S. (the “**PERA Act**”). Management of PERA is vested in a 16-member Board of Trustees (the “**PERA Board**”). PERA has fiduciary responsibility for several separate divisions, including the State Division, the Judicial Division, the School Division, the Denver Public Schools Division and the Local Government Division. The State represents the majority, but not all, of the State Division employers and employees. Each Division operates as a separate legal trust. PERA also operates two cost-sharing, multiple-employer postemployment benefit plans through the Health Care Trust Fund and the Denver Public Schools Health Care Trust Fund that provide health care premium subsidies to participating PERA benefit recipients who choose to enroll in one of PERA’s health care plans. PERA’s financial statements, which include all its Divisions and trusts, may be obtained by writing to PERA at P.O. Box 5800, Denver, Colorado 80217-5800, by calling the PERA Infoline at 1-800-759-7372 or by visiting <http://www.copera.org>. *The reference to PERA’s website is included herein for informational purposes only, and information available on such website or in PERA’s financial statements, or any other information provided by PERA, is not incorporated in this Official Statement by reference or otherwise, nor does the State make any representations regarding the accuracy of any such information.*

### **Basic Provisions of the State Division Plan**

Members of the State Division Plan who meet minimum age and service requirements are eligible to receive a monthly retirement benefit based on their employment and earnings history with the State. Calculation of retirement benefits and eligibility requirements differ depending on the employee’s original hire date. In response to funding challenges, the General Assembly has enacted changes to State Division Plan benefits at various times. Some of the changes have been applied prospectively to newly hired employees. As a result, there are several tiers of employee benefits and related provisions that are based on employee hire dates and other factors. See Notes 6-8 to the financial statements in the State Fiscal Year 2022-23 ACFR appended to this Official Statement, the PERA 2023 ACFR and the PERA Act for a discussion of eligibility requirements and the various tiers of benefits under the State Division Plan. See also the Statistical Section of the PERA 2023 ACFR for various statistics regarding members, retirees, survivors and benefit payments for the State Division Plan.

### **GASB 67**

In 2012, GASB issued Statement No. 67, “Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25” (“**GASB 67**”), which established revised standards for financial reporting and note disclosure by defined benefit pension plans administered through qualified trusts, and note disclosure

requirements for defined contribution pension plans administered through qualified trusts. GASB 67 is effective for accounting periods beginning after June 15, 2013.

The objective of GASB 67 as stated therein is to improve financial reporting by state and local governmental pension plans. The requirements of GASB 67 are intended to improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information. A companion statement, GASB Statement No. 68, “Accounting and Financial Reporting for Pensions” (“**GASB 68**”), which applies to governmental employers, was effective for fiscal years beginning after June 15, 2014, and therefore was first implemented by the State with its Fiscal Year 2014-15 ACFR. See “Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68 and GASB 75” hereafter.

GASB 67 established a shift in financial disclosure requirements from a funding-based approach to an accounting-based approach. It requires the preparation of two actuarial valuations, one for funding purposes and one for accounting and financial disclosure purposes. The purpose of the funding valuation is to guide the PERA Board’s actions necessary to ensure the long-term sustainability of PERA’s trust funds. The funding valuation aids this action by allowing PERA to assess the sufficiency of the current statutory contribution rates and analyze the sufficiency of future contributions to meet current and future benefit obligations. The actuarial valuation for accounting and financial reporting purposes emphasizes the obligation an employer incurs to employees through the employment-exchange process and is intended to provide a consistent, standardized methodology that allows comparability of amounts and increased transparency of the pension liability across U.S. pension plans complying with the revised reporting standard. To accomplish this, GASB 67 requires a different approach for determining net pension liability as compared to the previously disclosed unfunded actuarial accrued liability<sup>1</sup> (“**UAAL**”). Net pension liability is to be measured as the total pension liability<sup>2</sup> of the plan less the amount of the plan’s fiduciary net position<sup>3</sup>.

Another major change in the GASB 67 standard is the rate used to discount projected benefit payments. The revised standard states the long-term expected rate of return on the investments of the plan should be applied only to available plan assets that are expected to be invested using a strategy to achieve that return. If there comes a point in the projections when plan fiduciary net position and contributions related to active and inactive employees are no longer projected to be greater than or equal to projected benefit payments related to those employees and administrative expenses (crossover point), then an effective single discount rate must be determined. The single discount rate is “solved for” to reflect the period of discounting of the projected benefit payments using (1) the plan’s long-term expected rate of return up to the crossover point (point of asset depletion), and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), following the crossover point.

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<sup>1</sup> Unfunded actuarial accrued liability is the difference between the actuarial accrued liability, or “AAL” (present value of a pension fund’s total of future benefits and fund administration expenses less the present value of the future normal cost of those benefits), and the AVA of the fund.

<sup>2</sup> Total pension liability is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of plan member service in conformity with the requirements of GASB 67. **For purposes of application to the requirements of GASB 67, AAL is the equivalent of total pension liability.**

<sup>3</sup> Fiduciary net position equals assets plus deferred outflows of resources and less liabilities and deferred inflows of resources at the end of the plan’s reporting period.

GASB 67 also enhances the standards for footnote disclosure and required supplementary information for pension plans, including, among other things, disclosing the plan's net pension liability, ratio of fiduciary net position to total pension liability and actuarial methods and assumptions.

### **Actuarial Valuations**

Many of the measures used to determine and evaluate the financial condition and funding status of the State Division Plan are based on actuarial valuations. An actuarial valuation is the determination, as of the actuarial valuation date, of the service cost, total pension liability and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by GASB. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past demographic and economic expectations about the future.

The actuarial valuations for each of PERA's defined benefit plans, including the State Division Plan, are prepared by PERA's actuaries based on a set of actuarial methods and assumptions that by State law are the responsibility of the PERA Board. The valuations for the State Division Plan examine the assets of the State Division Plan compared to actuarial liabilities, compare past and future trends and determine the net pension liability of the State Division Plan.

The standard promulgated by GASB 67 results in the preparation of two actuarial valuations – one for funding purposes and the other for accounting and financial accounting purposes. The actuarial valuation for funding purposes applies an asset valuation method that recognizes a four-year smoothed fair value<sup>1</sup> of assets (*i.e.*, the differences between actual and expected investment experience for each year are recognized in equal amounts over a four-year period) for purposes of determining the UAAL, while the actuarial valuation for accounting and financial reporting purposes applies the fair value of assets to determine the net pension liability. See the Actuarial Section of the PERA 2023 ACFR for a discussion of other actuarial methods and assumptions used in the actuarial valuations of the State Division Plan.

The PERA 2023 ACFR states that the PERA Board studies all economic and demographic actuarial assumptions at least every five years and approves changes to those assumptions. The PERA Board last completed an experience study in 2020, for the period January 1, 2016, to December 31, 2019, and on November 20, 2020, adopted various revisions to its economic and demographic assumptions effective for the December 31, 2020, actuarial valuations and measurement date.

No assurance can be given that any of the assumptions underlying the actuarial valuations of the State Division Plan will reflect the actual results experienced by the State Division Plan. Variances in actuarial metrics related to the State Division Plan between the assumptions and actual results may cause an increase or decrease in the UAAL, the net pension liability and other valuation and performance measures determined on the basis of such actuarial valuations.

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<sup>1</sup> Investments in the State Division Plan are measured at "fair value" in accordance with GASB Statement No. 72. Fair value is defined as the amount for which an investment could be sold in an orderly transaction between market participants as the measurement date in the principal or most advantageous market of the investment. The term "fair value" used in the PERA 2023 ACFR is synonymous with the term "market value" used in the PERA Board's pension funding policy regarding the description of the determination of the asset valuation method applied for funding purposes.



## Funding of the State Division Plan

**Statutorily Required Contributions.** The State Division Plan is funded with payments made by the State and by each eligible employee as provided in the PERA Act. The State’s contributions to the State Division Plan are based on percentages of employee wages and are set by statute. These contribution percentages are referred to herein as the statutorily required contribution, or “SRC,” of the State. State Division Plan participants are also required to contribute a portion of their wages to the State Division Plan. SB 18-200 (discussed hereafter) increased the employer contribution rates effective July 1, 2019, and increased the member contribution rates effective July 1, 2019, July 1, 2020, and July 1, 2021. The bill also provides for automatic adjustments to such rates based on specified parameters so as to stay within the legislation’s 30-year funding goal as discussed in “Funding Status of the State Division Plan” below (the **“automatic adjustment provision”** or **“AAP”**). An adjustment (increase or decrease) to either the employer contribution rates or the member contribution rates cannot exceed 0.50% in any one year, nor can they exceed an aggregate of 2.00% above the base amount effective July 1, 2021, pursuant to SB 18-200, or fall below the contribution rates in effect prior the enactment of SB 18-200.

SB 18-200 also provides that effective January 1, 2021, and every year thereafter, employer contribution rates for the State Division Plan are to be adjusted to include a defined contribution supplement. See also Note 6 to the State Fiscal Year 2022-23 ACFR appended to this Official Statement, as well as Management’s Discussion and Analysis and Note 4 to the financial statements in the PERA 2023 ACFR.

As the result of the application of these provisions (considering the required 2018 and 2020 AAP adjustments, effective July 1, 2020, and July 1, 2022, respectively), for calendar year 2023, (i) the baseline SRC that is required to be made by the State for State Division Plan members other than “Safety Officers”<sup>1</sup> is 11.40% (11.57% considering the 0.17% DC Supplement discussed below) of includable compensation, and the baseline SRC that is required to be made by the State for Safety Officers is 14.10% (14.27% considering the 0.17% DC Supplement) of includable compensation, and (ii) the member contribution rate for State Division Plan members other than Safety Officers is 11.00% of includable compensation, and the member contribution rate for Safety Officers is 13.00% of includable compensation. See the PERA 2023 ACFR for additional information, as well as historical SRC and participant contribution rates.

The General Assembly enacted legislation in 2004, 2006 and 2010 to gradually increase employer contributions to the State Division Plan by authorizing the Amortization Equalization Disbursement (“AED”) and the Supplemental Amortization Equalization Disbursement (“SAED”) in order to shorten the amount of time over which the unfunded liability of the State Division Plan is amortized. Both the AED and the SAED are paid by the State as contributions to the State Division Plan as a percentage of employee wages, but the SAED payment comes from moneys that would otherwise have been used to provide market-based salary increases to employees. The AED and the SAED applicable to the State Division Plan were effective as of January 1, 2006, and January 1, 2008, respectively, and were each initially payable at the rate of 0.5% of total covered payroll with annual increases in the contribution rate through 2017. The AED

<sup>1</sup> For PERA purposes, “Safety Officers” includes (i) employees of the Colorado State Patrol or Colorado Bureau of Investigation vested with the powers of peace officers, (ii) beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII, (iii) new members hired on or after January 1, 2020, as a county sheriff, undersheriff, deputy sheriff, noncertified deputy sheriff or detention officer by a Local Government Division employer, (iv) new members hired on or after January 1, 2020, as a corrections officer classified as I through IV by a State Division employer, and (v) beginning July 1, 2023, wildlife officers or parks and recreation officers hired on or after January 1, 2011, by the Division of Parks and Wildlife in the Department of Natural Resources.



and SAED rates applicable to the State Division Plan for 2023 and 2024 are each currently 5.00%, and the SRC applicable to the State Division Plan for 2023 is 21.57% of employee wages for members other than Safety Officers and 24.27% of employee wages for Safety Officers. In accordance with the PERA Act, PERA transfers a portion of these contributions, equal to 1.02% of the reported salaries, to the Health Care Trust Fund for health care benefits.

As discussed above, SB 18-200 includes an automatic adjustment provision so as to stay within the legislation's 30-year funding goal as discussed in "Funding Status of the State Division Plan" below. Previously, such adjustments required action by the General Assembly. In addition, the State Division employers are required to pay a defined contribution supplemental amount (the **"DC Supplement"**) to the State Division Plan on behalf of all employees of the State Division, calculated pursuant to employees hired on or after January 1, 2019, who chose to participate in the State Division DC Plan in lieu of participating in the State Division Plan. The AAP assessment commenced with the December 31, 2018, actuarial funding valuation and is performed annually. AAP adjustments to member and employer contributions and the maximum annual increase were triggered based on the 2018 and 2020 AAP assessments, effective as of July 1, 2020, and July 1, 2022, respectively. The PERA 2023 ACFR states that based on the results of the AAP assessment which utilized the December 31, 2022, actuarial valuation performed for funding purposes, effective July 1, 2024, no adjustments to member or employer contribution rates are required, with no adjustment to the \$225,000 direct distribution; and that based on the results of the AAP assessment which utilized the December 31, 2023, actuarial valuation performed for funding purposes, effective July 1, 2025, no adjustments to member or employer contribution rates are required, with no adjustment to the \$225,000 direct distribution. A complete history of the results of the annual AAP assessment and any applicable adjustments are available in the Actuarial Section of the PERA 2023 ACFR.

SB 18-200 also requires the State to make an annual direct distribution to PERA of \$225 million (actual dollars) on July 1 of each year, commencing in 2018, until there are no unfunded actuarial accrued liabilities in the trust fund of any Division that receives such distribution. PERA is to allocate the direct distribution to the State Division Trust Fund, the Judicial Division Trust Fund, the School Division Trust Fund and the Denver Public Schools Division Trust Fund based upon the covered payroll of each such Division. Under certain circumstances adjustments may be made to this direct distribution pursuant to the automatic adjustment provision provided in SB 18-200. The July 1, 2020, direct distribution was suspended per HB 20-1379 due to the actual and forecast impact of COVID-19 on the State's revenues. In order to fully recompense PERA for this suspended direct distribution, HB 22-1029 directed the State Treasurer to make a restorative distribution to PERA upon enactment (June 7, 2022), of \$380 million in addition to the scheduled July 1, 2022, direct distribution, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024, based upon the actual investment returns reported by PERA for 2021 and 2022, respectively. Per HB 22-1029, the July 1, 2023, direct distribution was required to be reduced by \$190 million, from \$225 million to \$35 million, based on PERA's total fund investment return for 2021. However, the July 1, 2024, direct distribution is not required to be reduced, based on PERA's negative total fund investment return in 2022. Lastly, SB 23-056 requires an additional restorative payment to PERA by the State of approximately \$14.5 million which was required to be made on the effective date of such legislation (June 2, 2023) or as soon as possible thereafter in order to recompense PERA for the suspension of the July 1, 2020, direct distribution.

Changes to the statutorily required contributions to the State Division Plan by the State and its employees, or to other provisions of the State Division Plan, could be triggered by future AAP assessments or enacted by the General Assembly, which could impact the SRC, the funding status and/or the financial condition of the State Division Plan as described herein. The State cannot predict if or when any such events could occur or the impact that any resulting changes might have on the State Division Plan or the State's funding obligations with respect to the State Division Plan.

The SRC is paid from the State General Fund as well as from certain federal funds and State cash funds and is typically paid from the same funding source as the employee's salary and other benefits. Although the rate of the SRC is set by statute, payment of the SRC nevertheless is subject to annual appropriation through the State budgeting process as described in "STATE FINANCIAL INFORMATION—Budget Process and Other Considerations" in the body of this Official Statement. The State has consistently contributed the full amount of the SRC to the State Division Plan.

***Actuarially Determined Contribution.*** As a result of the shift in financial disclosure requirements under GASB 67 from a funding-based approach to an accounting-based approach, the historical disclosure and use of the annual required contribution<sup>1</sup>, or "ARC," as a funding benchmark by PERA was no longer required. Rather, this philosophical shift encouraged the development and use of a plan-specific actuarially determined contribution ("ADC") benchmark against which to gauge the adequacy of the SRC for the State Division Plan. The ADC represents the amount needed to fund benefits over time, and constitutes a target or recommended employer contribution for the reporting period determined in conformity with (i) Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted and (ii) the PERA Board's funding policies. The ADC for each trust fund is developed annually and reported by management to be used as a benchmark for contributions two years in the future. An ADC deficiency arises when actual employer contributions are less than the ADC, and interest accrues on the ADC deficiency at the plan's expected long-term rate of return. See "*Historical ADC and State Contributions*" below.

***Change in PERA Funding Policy.*** In response to the revised standards required by GASB 67, the PERA Board adopted a revised pension funding policy in March 2015 (and last revised in January 2024) with regard to its defined benefit trust funds. This policy focuses on the determination of an actuarially determined contribution reflecting closed and layered 30-year amortization periods. The purpose of the revised funding policy, as stated in the Letter of Transmittal of the PERA 2023 ACFR, is to (1) define the overall funding benchmarks of each of PERA's trust funds, (2) assess the adequacy of the contribution rates set by the General Assembly by comparing each trust fund's statutorily set contribution rate to an actuarially determined contribution benchmark and (3) define the annual actuarial metrics that will assist in assessing the sustainability of the plan. The results of these three items are intended to help the PERA Board when considering whether to pursue or support proposed legislation. See "*Statutorily Required Contributions*" above.

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<sup>1</sup> Prior to 2014, PERA used the ARC, and starting in 2014, PERA has used the ADC as a funding benchmark against which to gauge the adequacy of the SRC for the State Division Plan. The ADC is the actuarially determined contribution amount that would be required if the State were to fund each year's normal cost (*i.e.*, the present value of the benefits that the State Division Plan projects to become payable in the future that are attributable to a valuation year's payroll) in the State Division Plan plus an annual amortization of the UAAL assuming that the UAAL will be fully funded over a maximum 30-year period. The difference between the ARC/ADC and the SRC constitutes either a contribution deficiency or excess. For historical information regarding the ARC, see PERA's ACFR for calendar year 2013.

**Historical ADC and State Contributions.** The following table sets forth for each of the past ten years (i) the ADC for the State Division Plan, (ii) the annual contribution deficiency and (iii) the actual contribution as a percentage of covered employee payroll. The State annually contributes the full amount of the SRC to the State Division Plan; however, in prior years these amounts have been less than the applicable ARC or ADC. During this period the State has not made any contributions to the State Division Plan in excess of the SRC, other than the annual direct distribution as required pursuant to SB 18-200.

**Employer Contributions  
State Division**

(Dollar Amounts in Thousands)

Calendar Year	ADC Rate <sup>1</sup>	Covered Employee Payroll	Annual Increase Reserve Contribution <sup>2</sup>	ADC Contribution <sup>3</sup>	Contributions in Relation to the ADC	Annual Contribution Deficiency/ (Excess)	Actual Contributions as a Percentage of Covered Employee Payroll
2014	20.45%	\$2,564,670	\$ 9,984	\$534,459	\$444,372	\$ 90,087	17.33%
2015	22.35	2,641,867	11,400	601,857	484,005	117,852	18.32
2016	22.31	2,710,651	12,838	617,584	521,804	95,780	19.25
2017	22.71	2,774,207	14,355	644,377	563,977	80,400	20.33
2018	26.30	2,898,827	15,919	778,311	661,653	116,658	22.82
2019	23.28	2,995,453	17,663	715,004	689,370	25,634	23.01
2020	23.69	3,089,161	19,442	751,264	646,386	104,878	20.92
2021	21.05	3,092,509	20,606	671,579	741,010	(69,431)	23.96
2022	23.45	3,183,955	22,441	769,078	903,044	(133,966)	28.36
2023	20.71	3,576,201	26,039	766,670	806,606	(39,936)	22.55

<sup>1</sup> The ADC rates, as a percentage of covered payroll, used to determine the ADC amounts are calculated as of December 31 two years prior to the end of the year in which the ADC amounts are reported. The actuarial methods and assumptions from the December 31, 2021, actuarial valuation used to determine contribution rates for calendar year 2023 are set forth in Note 3 to the Required Supplementary Information for the Division trust funds in the Financial Section of the PERA 2023 ACFR. Other demographic assumptions include rates of assumed retirement, termination/withdrawal, disability, and mortality. See also the Actuarial Section of the PERA 2023 ACFR.

<sup>2</sup> The Annual Increase Reserve ("AIR") was established in 2007 and is used to provide post-retirement benefit increases for members hired on or after January 1, 2007. The AIR is financed by an allocation from employer statutory contributions made on behalf of such members equal to 1.00% of pensionable payroll and through an allocation of purchase of service dollars. For further information see the PERA 2023 ACFR.

<sup>3</sup> The ADC contribution equals the sum of (i) the ADC rate times the covered employee payroll, plus (ii) the AIR contribution.

Source: PERA 2023 ACFR

For historical information regarding employer contributions based on the ARC, see PERA's Annual Comprehensive Financial Report for calendar year 2013 and Note 6 to the State Fiscal Year 2022 23 ACFR appended to this Official Statement.

### Funding Status of the State Division Plan

The State Division Plan currently is significantly underfunded. As discussed in "Funding of the State Division Plan – Statutorily Required Contributions" above, the AED and SAED were implemented in 2006 and 2008, respectively, and other changes were made to the State Division Plan design by SB 10 001, all in an effort to improve the funding status of the State Division Plan. However, investment returns on State Division Plan assets declined following the global economic downturn that began in 2008. As a result, the assumed rate of investment return on State Division Plan assets and the discount rate on actuarially accrued liabilities were lowered by the PERA Board from 8.50% to 8.00% as of December 31, 2009, from 8.00% to 7.50% as of December 31, 2013, and from 7.50% to 7.25% as of December 31, 2016, and other economic assumptions were changed over this period as well, all in order to better reflect actual plan experience regarding demographic and economic expectations about the future. Despite these changes, PERA reported that as of December 31, 2016, the State Division Plan had a UAAL of approximately

\$11.644 billion and a funded ratio (i.e., the actuarial value of assets (or “AVA”) divided by the AAL, which represents the funded status of the Plan) of only 54.6%. Based on contribution rates as of the date of calculation, the UAAL would have been amortized over a 65-year period.

In order to address the funding status of PERA’s defined benefit plans, including the State Division Plan, in 2018 the General Assembly enacted SB 18 200, which act made changes to the defined benefit plans administered by PERA with the goal to eliminate the UAAL, and thereby reach a 100% funded ratio for each of such plans, within a 30-year period. Among other things, SB 18 200 phased-in a 2.00% increase in contribution rates for most employees, increased employer contribution rates for most employers by 0.25%, required employers to pay a DC Supplement contribution beginning January 1, 2021, on behalf of all employees hired on or after January 1, 2019, participating in the State Division DC Plan in lieu of the State Division Plan, suspended the annual increase (cost of living adjustment) for retirees for 2018 and 2019, changed the definition of salary and highest average salary, reduced the maximum annual increase (maximum cost of living adjustment), funded unfunded PERA liability from political subdivisions that terminate their affiliation with PERA and provided for an annual direct distribution to PERA from the General Fund of \$225 million (actual dollars) beginning with Fiscal Year 2018 19. Due to the actual and forecast impact of COVID 19 on the State’s revenues in Fiscal Years 2019 20 and 2020 21, this direct distribution was suspended for Fiscal Year 2020 21 per HB 20 1379, but subsequently and substantially restored per HB 22 1029, as discussed in “Funding of the State Division Plan – Statutorily Required Contributions” above. SB 18 200 also provided for automatic adjustments to employee and employer contribution rates, annual increases (cost of living increases) and the State’s annual direct contribution to PERA within certain statutory parameters so as to stay within the 30-year funding goal. Previously, such adjustments required action by the General Assembly. For further information regarding SB 18 200, see Note 6 to the State Fiscal Year 2022 23 ACFR appended to this Official Statement, as well as the PERA 2023 ACFR.

The PERA 2023 ACFR reports that as of December 31, 2023, PERA had the following funding status for the State Division Plan:

**Funded Status for the State Division Plan  
as of December 31, 2023**  
(Dollar Amounts in Thousands)

	<b>Actuarial Value of Assets<sup>1</sup></b>	<b>Fair Value of Assets<sup>1</sup></b>
Actuarial Accrued Liability (UAAL) <sup>2</sup>	\$28,460,815	\$28,460,815
Assets Held to Pay Those Liabilities	<u>18,851,972</u>	<u>17,958,261</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 9,608,843</u>	<u>\$10,502,554</u>
Funded Ratio	66.2%	63.1%
Amortization Period <sup>3</sup>	18 Years	--

<sup>1</sup> See "Actuarial Valuations" above in this Appendix.

<sup>2</sup> Based upon an assumed rate of return on investments of 7.25% and an assumed rate of 7.25% to discount the liabilities to be paid in the future to a value as of December 31, 2023.

<sup>3</sup> The amortization period, which is the expected number of years until full funding is achieved, considers ongoing employer, member AED, SAED and DC Supplement contributions, and the direct distribution, where and when applicable, including any know future changes. The Management's Discussion and Analysis in the Financial Section of the PERA 2023 ACFR states that this amortization period does not include the full effect of legislation enacted in 2006, 2010 and 2018, which includes plan changes designed to lower the normal cost over time as new members are added, to allow a greater proportion of the State's contribution to the State Division Plan to be used to amortize the unfunded liability.

Source: PERA 2023 ACFR

For further information, see Management's Discussion and Analysis in the State Fiscal Year 2022 23 ACFR appended to this Official Statement, as well as Management's Discussion and Analysis, Notes 10 and 12 to the financial statements, Note 2 to the required supplementary information for the Division trust funds and the Actuarial Section in the PERA 2023 ACFR.

The following two tables set forth for each of the past ten years the UAAL, funded ratio and related information for the State Division Plan based on the actuarial value of assets and the fair value of assets, respectively.

**Historical Funding Progress of State Division Plan  
Actuarial Value of Plan Assets**  
(Dollar Amounts in Thousands)

<b>Valuation Date (December 31)</b>	<b>Actuarial Value of Plan Assets<sup>1</sup></b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Employer Payroll</b>	<b>UAAL as Percentage of Employer Payroll</b>
2014	\$13,523,488	\$23,408,321	\$ 9,884,833	57.8%	\$2,564,670	385.4%
2015	13,882,820	24,085,671	10,202,851	57.6	2,641,867	386.2
2016	14,026,332	25,669,916	11,643,584	54.6	2,710,651	429.5
2017	14,256,410	24,782,085	10,525,675	57.5	2,774,207	379.4
2018	14,303,726	25,509,852	11,206,126	56.1	2,898,827	386.6
2019	14,922,050	25,717,648	10,795,598	58.0	2,995,453	360.4
2020	16,039,287	27,116,805	11,077,518	59.1	3,089,161	358.6
2021	17,379,516	27,159,846	9,780,330	64.0	3,092,509	316.3
2022	18,371,697	27,647,371	9,275,674	66.5	3,183,955	291.3
2023	18,851,972	28,460,815	9,608,843	66.2	3,576,201	268.7

<sup>1</sup> The actuarial value of plan assets is based on gains and losses smoothed in over a four-year period as allowed by the Actuarial Standards of Practice. See "Actuarial Valuations" above in this Appendix, as well as the Investment Section of the PERA 2023 ACFR.

Source: PERA 2023 ACFR

**Historical Funding Progress of State Division Plan**  
**Fair Value of Plan Assets**  
(Dollar Amounts in Thousands)

<b>Valuation Date (December 31)</b>	<b>Fair Value of Plan Assets<sup>1</sup></b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Employer Payroll</b>	<b>UAAL as Percentage of Employer Payroll</b>
2014	\$13,956,630	\$23,408,321	\$ 9,451,691	59.6%	\$2,564,670	368.5%
2015	13,391,398	24,085,671	10,694,273	55.6	2,641,867	404.8
2016	13,538,772	25,669,916	12,131,144	52.7	2,710,651	447.5
2017	15,105,378	24,782,085	9,676,707	61.0	2,774,207	348.8
2018	13,837,863	25,509,852	11,671,989	54.2	2,898,827	402.6
2019	15,819,843	25,717,648	9,897,805	61.5	2,995,453	330.4
2020	17,660,157	27,116,805	9,456,648	65.1	3,089,161	306.1
2021	19,710,492	27,159,846	7,449,354	72.6	3,092,509	240.9
2022	16,490,174	27,647,371	11,157,197	59.6	3,183,955	350.4
2023	17,958,261	28,460,815	10,502,554	63.1	3,576,201	293.7

<sup>1</sup> The market value of plan assets is the fair value of the assets determined in conformity with GASB standards. See "Actuarial Valuations" above in this Appendix, as well as the Investment Section of the PERA 2023 ACFR.

Source: PERA Annual Comprehensive Financial Reports for calendar years 2014-2023

Since contribution rates to the State Division Plan are fixed by statute, improvements in the funding status of the State Division Plan are expected to come primarily from increases in investment returns on plan assets, changes in the actuarial assumptions used to determine the AAL, or increases in contribution amounts through adjustments triggered via the annual AAP assessment.

### Fiduciary Net Position of the State Division Plan

The Statement of Fiduciary Net Position of the State Division Plan as of December 31, 2023, is included in PERA's basic financial statements set forth in the Financial Section of the PERA 2023 ACFR. The following table sets forth for each of the past ten years the changes in fiduciary net position of the State Division Plan.

**Changes in Fiduciary Net Position**  
**State Division**

(Cash Basis; Dollar Amounts in Thousands)

	<b>For the Year Ended December 31,</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Additions</b>										
Employer contributions	\$ 444,372	\$ 484,005	\$ 521,804	\$ 563,977	\$ 583,164	\$ 612,282	\$ 646,386	\$ 664,304	\$ 704,797	\$ 790,373
Nonemployer contributions	--	--	--	--	78,489	77,088	--	76,706	198,247	16,233
Member contributions	211,610	217,980	223,005	228,978	236,313	257,803	298,264	329,652	360,523	407,449
Purchased service	22,446	26,946	24,528	27,442	25,227	29,494	28,522	39,514	35,699	30,910
Net investment income (loss)	780,762	210,337	947,981	2,391,683	(497,562)	2,764,719	2,652,870	2,806,442	(2,657,031)	2,187,360
Other	3,289	5,023	8,708	15,860	7,888	22	9,390	6,038	171	8,314
<b>Total additions</b>	<b>1,462,479</b>	<b>944,291</b>	<b>1,726,026</b>	<b>3,227,940</b>	<b>433,519</b>	<b>3,741,408</b>	<b>3,635,432</b>	<b>3,922,656</b>	<b>(1,357,594)</b>	<b>3,440,639</b>
<b>Deductions</b>										
Benefit payments	1,352,293	1,417,862	1,483,828	1,554,290	1,608,534	1,637,168	1,675,048	1,726,503	1,778,067	1,820,823
Refunds	61,152	63,567	60,137	58,696	65,253	61,832	57,921	74,520	82,321	77,229
Disability insurance premiums	2,309	2,088	2,106	2,035	2,093	1,965	1,360	1,013	849	994
Administrative expenses	10,067	10,779	11,271	11,745	11,903	11,294	11,385	12,051	13,312	13,979
Other	3,171	3,406	3,040	3,652	3,017	2,707	2,634	2,950	9,139	2,250
<b>Total deductions</b>	<b>1,428,992</b>	<b>1,497,702</b>	<b>1,560,382</b>	<b>1,630,418</b>	<b>1,690,800</b>	<b>1,714,966</b>	<b>1,748,348</b>	<b>1,817,037</b>	<b>1,883,688</b>	<b>1,915,275</b>
<b>Change in fiduciary net position</b>	<b>33,487</b>	<b>(53,411)</b>	<b>165,644</b>	<b>1,597,522</b>	<b>(1,257,281)</b>	<b>2,026,442</b>	<b>1,887,084</b>	<b>2,105,619</b>	<b>(3,241,282)</b>	<b>1,525,364</b>
<b>Fiduciary net position held at beginning of year</b>	<b>13,980,460</b>	<b>14,013,947</b>	<b>13,460,536</b>	<b>13,626,180</b>	<b>15,223,702</b>	<b>13,966,421</b>	<b>15,992,863</b>	<b>17,879,947</b>	<b>19,985,566</b>	<b>16,744,284</b>
<b>Fiduciary net position held at end of year</b>	<b>\$14,013,947</b>	<b>\$13,460,536</b>	<b>\$13,626,180</b>	<b>\$15,223,702</b>	<b>\$13,966,421</b>	<b>\$15,992,863</b>	<b>\$17,879,947</b>	<b>\$19,985,566</b>	<b>\$16,744,284</b>	<b>\$18,269,648</b>

Source: PERA ACFRs for calendar years 2014-2023.



## Net Pension Liability of the State Division Plan

As noted above, GASB 67 requires a different approach for determining net pension liability as compared to the previously disclosed UAAL, and also requires disclosing the plan's net pension liability and ratio of fiduciary net position to total pension liability. The schedule of net pension liability presents multi-year trend information about whether the fiduciary net position is increasing or decreasing over time relative to total pension liability.

The following table sets forth the net pension liability and related information regarding the State Division Plan for the years 2014-2023. The required supplemental information in the PERA 2023 ACFR includes a schedule showing the sources of the changes in net pension liability for 2014-2023. See also "Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68 and GASB 75" hereafter.

<b>Net Pension Liability</b> <b>State Division<sup>1</sup></b> (Dollar Amounts in Thousands)					
<b>For the Year Ended December 31,</b>					
	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
Total pension liability <sup>2,3</sup>	\$23,420,461	\$23,991,569	\$31,994,311	\$35,241,684	\$25,345,094
Plan fiduciary net position	14,013,947	13,460,536	13,626,180	15,223,702	13,966,421
Net pension liability	\$ 9,406,514	\$10,531,033	\$18,368,131	\$20,017,982	\$11,378,673
Net pension liability as a percentage of total pension liability	59.84%	56.11%	42.59%	43.20%	55.11%
Covered employee payroll	\$ 2,564,670	\$ 2,641,867	\$ 2,710,651	\$ 2,774,207	\$ 2,898,827
Net pension liability as a percentage of covered employee payroll	366.77%	398.62%	677.63%	721.57%	392.53%
<b>For the Year Ended December 31,</b>					
	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Total pension liability <sup>2,4</sup>	\$25,696,667	\$27,364,740	\$27,360,605	\$27,616,860	\$28,382,741
Plan fiduciary net position	15,992,863	17,879,947	19,985,566	16,744,284	18,269,648
Net pension liability	\$ 9,703,804	\$ 9,484,793	\$ 7,375,039	\$10,872,576	\$10,113,093
Net pension liability as a percentage of total pension liability	62.24%	65.34%	73.05%	60.63%	64.37%
Covered employee payroll	\$ 2,995,453	\$ 3,089,161	\$ 3,092,509	\$ 3,183,955	\$ 3,576,201
Net pension liability as a percentage of covered employee payroll	323.95%	307.03%	238.48%	341.48%	282.79%

<sup>1</sup> Government accounting standards require that pension liabilities for financial reporting purposes be measured using the plan provisions in effect at the pension plan's year-end. Therefore, unlike the tables in "Funding Status of the State Division Plan" above, the changes made by SB 18-200 are not reflected in this table for 2017.

<sup>2</sup> Total pension liability is determined by actuarial valuations as of December 31 of the prior year, with generally accepted actuarial procedures applied to roll forward the total pension liability to the measurement date.

<sup>3</sup> The decrease in the total pension liability as of December 31, 2018, is primarily due to changing from a blended discount rate to a discount rate equal to the long-term assumed rate of return in accordance with GASB 67.

<sup>4</sup> The key actuarial methods, assumptions or other inputs used to determine the actuarial valuation of the State Division Fund as of December 31, 2022, which was then rolled forward to determine the total pension liability of the State Division Fund as of December 31, 2023, as noted in footnote 2, are set forth in Note 10 to the Financial Statements in the PERA 2023 ACFR.

Source: PERA 2023 ACFR

### **Investment of State Division Plan Assets**

State law authorizes the investment of PERA's funds by the PERA Board, subject to the following limitations:

- The aggregate amount of moneys invested in corporate stocks or corporate bonds, notes or debentures, which are convertible into corporate stock or in investment trust shares, cannot exceed 65% of the book value of the fund.
- No investment of the fund in common or preferred stock, or both, of any single corporation can exceed 5% of the then book value of the fund.
- The fund cannot acquire more than 12% of the outstanding stock or bonds of any single corporation.
- The origination of mortgages or deeds of trust on real residential property is prohibited.

Additionally, Section 24-54.8-201, *et seq.*, C.R.S., imposes targeted divestment from companies that have economic prohibitions against Israel.

See Note 5 to the financial statements and the Investment Section of the PERA 2023 ACFR for additional discussion of PERA's investment responsibilities and investment policies.

### **Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68 and GASB 75**

**GASB 68.** GASB Statement No. 68, "Accounting and Financial Reporting for Pensions," is a GASB pronouncement that is a companion to GASB 67 and applicable to governmental entities, such as the State, that provide their employees with pension benefits. GASB 68 was effective for fiscal years beginning after June 15, 2014, and therefore was first implemented in the State's Fiscal Year 2014 15 ACFR. GASB 68 reviewed and established revised financial reporting requirements for governmental entities, and, among other things, requires cost-sharing employers participating in defined benefit plans to record their proportionate share of the unfunded pension liability. See the table entitled "Historical Funding Progress of State Division Plan - Actuarial Value of Plan Assets" above for the UAAL of the State Division Plan for the past ten years as set forth in the PERA 2023 ACFR.

In the State Fiscal Year 2022 23 ACFR appended to this Official Statement, the State reported a total net pension liability at June 30, 2023, of approximately \$15.15 billion, of which approximately \$15.05 billion constitutes its proportionate share of the net pension liability with respect to the PERA administered defined benefit pension trusts determined as described in Note 6 to the Financial Statements in the State Fiscal Year 2022 23 ACFR. The balance constitutes the net pension liability associated with a defined benefit pension plan administered by the University of Colorado for certain of its employees. This compares to a net pension liability at June 30, 2022, reported in the State Fiscal Year 2021 22 ACFR of approximately \$8.41 billion, of which approximately \$8.29 billion constituted its proportionate share of the net pension liability with respect to the PERA administered defined benefit pension trusts determined as described in Note 6 to the financial statements in the State Fiscal Year 2021 22 ACFR, and the balance constituted the net pension liability associated with the University of Colorado administered a defined benefit pension plan. The amounts presented for each Division were determined as of the calendar year-end that occurred within the Fiscal Year.

There is a difference between the net pension liability for the State reported by PERA and the State in their respective financial statements. The difference results from PERA's inclusion of employers in the



State Division and the Judicial Division which are not included in the State's financial statement reporting entity. The PERA Board has statutory authority to assign employers to the State Division and Judicial Division that are not part of the State's financial statement reporting entity as defined by GASB Statement No. 14, as amended by GASB Statements No. 39 and 61. Examples of these employers in the State Division include Pinnacol Insurance, Fire and Police Pension Association and District Attorneys. Denver County Courts is the only Judicial Division employer that is not part of the State's financial statement reporting entity. The State includes in its financial statements a percentage of the net pension liability reported by PERA in its financial statements for each Division to determine the State's proportionate share in accordance with requirements of GASB 68. Additional information concerning the State's reporting entity can found in Note 1 to the financial statements in the State Fiscal Year 2022 23 ACFR appended to this Official Statement, and additional information concerning the proportionate share calculation can be found in Note 6 to the financial statements in the State Fiscal Year 2022 23 ACFR.

Set forth in the following table is the State's proportionate share of the net pension liability at the end of calendar years 2013-2022 for the retirement trusts to which the State contributes presented in accordance with the requirements of GASB 68. Information for certain Divisions is not available prior to calendar year 2018.

*[Remainder of page intentionally left blank]*

### State's (Primary Government's) Proportionate Share of the Net Pension Liability<sup>1</sup>

(Amounts in Thousands)

#### State Division

	Calendar Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
State's proportion of the net pension liability	95.86%	95.85%	95.71%	95.49%	95.37%	95.40%	95.49%	95.60%	95.53%	95.45%
State's proportionate share of net pension liability	\$8,539,181	\$9,016,144	\$10,079,252	\$17,539,728	\$19,091,149	\$10,855,754	\$9,265,778	\$9,066,999	\$7,045,081	\$10,377,874
State's covered payroll	\$2,570,286	\$2,586,800	\$ 2,687,152	\$ 2,751,094	\$ 2,796,014	\$ 3,262,962	\$3,376,294	\$3,132,159	\$3,363,108	\$ 4,369,392
State's proportionate share of the net pension liability as a percentage of its covered payroll	332.23%	348.54%	375.09%	637.55%	682.80%	332.70%	274.44%	289.48%	209.48%	237.51%
Plan fiduciary net position as a percentage of the total pension liability	61.00%	59.84%	56.11%	42.59%	43.20%	55.11%	62.24%	65.34%	73.05%	60.63%

#### Judicial Division

	Calendar Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
State's proportion of the net pension liability	93.44%	93.60%	93.98%	94.17%	93.99%	94.06%	94.28%	93.49%	92.75%	93.10%
State's proportionate share of net pension liability	\$102,756	\$129,499	\$172,824	\$239,423	\$218,136	\$132,873	\$85,727	\$57,929	\$ 8,507	\$89,574
State's covered payroll	\$ 37,203	\$ 40,114	\$ 44,159	\$ 46,320	\$ 46,764	\$ 55,706	\$55,934	\$52,027	\$59,688	\$67,626
State's proportionate share of the net pension liability as a percentage of its covered payroll	276.20%	322.83%	391.37%	516.89%	466.46%	238.52%	153.27%	111.34%	14.25%	132.46%
Plan fiduciary net position as a percentage of the total pension liability	77.41%	66.89%	60.13%	53.19%	58.70%	68.48%	80.02%	87.06%	98.11%	80.98%

#### Denver Public Schools Division

	Calendar Year				
	<u>2018</u>	<u>2019</u>	<u>2020<sup>2</sup></u>	<u>2021</u>	<u>2022</u>
State's proportion of the net pension liability	34.13%	30.71%	0.00%	22.70%	41.57%
State's proportionate share of net pension liability	\$349,095	\$202,321	--	\$1,355	\$360,715
Plan fiduciary net position as a percentage of the total pension liability	75.69%	84.73%	90.48%	99.87%	81.93%

#### Schools Division

	Calendar Year				
	<u>2018</u>	<u>2019</u>	<u>2020<sup>2</sup></u>	<u>2021</u>	<u>2022</u>
State's proportion of the net pension liability	12.03%	11.26%	0.00%	10.28%	22.57%
State's proportionate share of net pension liability	\$2,129,952	\$1,681,628	--	\$1,196,870	\$4,109,876
Plan fiduciary net position as a percentage of the total pension liability	57.01%	64.52%	66.99%	74.86%	61.79%

#### State Division as Non-Employer Contributing Entity

	Calendar Year				
	<u>2018</u>	<u>2019</u>	<u>2020<sup>2</sup></u>	<u>2021</u>	<u>2022</u>
State's proportion of the net pension liability	0.55%	0.51%	0.00%	0.47%	1.00%
State's proportionate share of net pension liability	\$62,292	\$49,203	--	\$34,307	\$108,726

#### Judicial Division as Non-Employer Contributing Entity

	Calendar Year				
	<u>2018</u>	<u>2019</u>	<u>2020<sup>2</sup></u>	<u>2021</u>	<u>2022</u>
State's proportion of the net pension liability	0.85%	0.64%	0.00%	0.88%	1.55%
State's proportionate share of net pension liability	\$1,199	\$582	--	\$81	\$1,491

<sup>1</sup> The amounts presented for each Division were determined as of the measurement date, which is the calendar year end that occurred within the State's Fiscal Year. See Note 6 to the financial statements and Note RSI-2 to the Required Supplementary Information in the State Fiscal Year 2022-23 ACFR appended to this Official Statement.

<sup>2</sup> HB 20-1379 suspended contributions for Fiscal Year 2020-21 due to the COVID-19 pandemic, and therefore no liability was recognized. See Note 6 to the State Fiscal Year 2022-23 ACFR appended to this Official Statement.

Source: State Fiscal Year 2022-23 ACFR

A ten year history of the State's contribution to PERA for the State and Judicial Divisions is also included in Note RSI-2 to the Required Supplementary Information in the State Fiscal Year 2022 23 ACFR appended to this Official Statement. See also "Overall Financial Position and Results of Operations" in the Management's Discussion and Analysis, as well as Notes 1 and 6-8 to the financial statements, in the State Fiscal Year 2022 23 ACFR.

**GASB 75.** GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” (“**GASB 75**”), is effective for fiscal years beginning after June 15, 2017. GASB 75 requires, for purposes of governmental financial reporting, that the State recognize a liability for its proportionate share of the net Other Post-Employment Benefits (“**OPEB**”) liability (of all employers for benefits provided through the OPEB plan), i.e., the collective net OPEB liability. The State is also required to recognize OPEB expense and report deferred outflows of resources and deferred inflows of resources related to OPEB for its proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB. GASB 75 also requires additional footnote disclosures about the pension trust fund in the financial statements. See “Overall Financial Position and Results of Operations” and “Conditions Expected to Affect Future Operations” in the Management’s Discussion and Analysis, as well as Note 7 to the financial statements and Note RSI-3 to the Required Supplementary Information, in the State Fiscal Year 2022 23 ACFR appended to this Official Statement.

### **Effect of Pension Liability on the Series 2024 Certificates**

No assurances can be given that the assumptions underlying any current or future plans of the State to address its pension liabilities will be realized or that actual events will not cause material changes to the pension data presented in this Official Statement, including in this Appendix. The General Assembly and Governor are ultimately responsible for passing any legislation which would make material changes to PERA retirement plans. No assurance can be given that any legislative changes aimed at decreasing the State’s pension liability will be enacted. The State’s current pension liability or any increase in the State’s pension liability may have a material adverse effect on the State’s ability to fully pay its obligations, including the Series 2024 Certificates.

\* \* \*

## APPENDIX J

### DTC Book-Entry System

The information in this Appendix concerning DTC and DTC's book entry system has been obtained from DTC and contains statements that are believed to describe accurately DTC, the method of effecting book-entry transfers of securities distributed through DTC and certain related matters, but the State takes no responsibility for the accuracy or completeness of such statements. Beneficial Owners should confirm the following information with DTC or the DTC Participants.

*None of the Trustee, the State or the Underwriters has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the registered owners of the Series 2024 Certificates under the Indenture, (iii) the payment by DTC or any DTC Participant of any amounts received under the Indenture with respect to the Series 2024 Certificates, (iv) any consent given or other action taken by DTC or its nominee as the owner of Series 2024 Certificates or (v) any other related matter.*

DTC will act as securities depository for the Series 2024 Certificates. The Series 2024 Certificates will be in the form of fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate for each maturity of the respective Series of Series 2024 Certificates, in the aggregate principal amount of such maturity, will be executed and delivered and deposited with DTC.

DTC, the world's largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities Series 2024 Certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has an S&P rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com> and <http://www.dtc.org>. The State undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on such websites as described in the preceding sentence, including, but not limited to, updates of such information or links to other internet sites accessed through the aforementioned websites.

Purchases of Series 2024 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Certificates on DTC's records. The ownership interest of each Beneficial Owner is in turn recorded on the records of Direct and Indirect Participants. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners

are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Series 2024 Certificates representing their ownership interests in the Series 2024 Certificates except in the event that use of the book-entry system for the Series 2024 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2024 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Certificates, such as redemptions, defaults and proposed amendments to the Indenture. For example, Beneficial Owners of Series 2024 Certificates may wish to ascertain that the nominee holding the Series 2024 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2024 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Series 2024 Certificates will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or the State Treasurer on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the paying agent or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments with respect to the Series 2024 Certificates to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the State or the paying agent, disbursement of such payments to Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024 Certificates at any time by giving reasonable notice to the State. Under such circumstances, in the event

that a successor securities depository is not obtained, Series 2024 Certificates are required to be printed and delivered to the appropriate registered owners of the Series 2024 Certificates.

The State may at any time decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository) with respect to the Series 2024 Certificates. In that event, Series 2022 Series 2024 Certificates will be printed and delivered to DTC.

**DRAFT AND SUBJECT TO CHANGE**

**CERTIFICATE PURCHASE AGREEMENT**

**\$[PAR]  
STATE OF COLORADO  
HIGHER EDUCATION HEALTH SCIENCES FACILITIES  
CERTIFICATES OF PARTICIPATION  
SERIES 2024**

[August] \_\_, 2024

State of Colorado  
Colorado State Treasurer  
200 E. Colfax Avenue  
140 State Capitol  
Denver, Colorado 80203

U.S. Bank Global Trust Services, as Trustee  
950 17<sup>th</sup> Street, DN-CO-5GCT  
Denver, Colorado 80202

The undersigned, BofA Securities, Inc. (the “*Representative*”), acting on its own behalf and on behalf of the other underwriters listed on Schedule I hereto (collectively, with the Representative, the “*Underwriters*”) and not as agent or fiduciary for you, hereby offers to enter into this Certificate Purchase Agreement (the “*Certificate Purchase Agreement*”) among the State of Colorado, acting by and through the Department of the Treasury (the “*State*” or the “*Issuer*”), and U.S. Bank Trust Company, National Association, as Trustee (the “*Trustee*”), which, upon acceptance by the State and the Trustee, will be binding upon the State, the Trustee and the Underwriters. *Terms not otherwise defined herein are defined in the Glossary to the Master Indenture.*

On the basis of the representations and covenants contained herein and subject to the terms and conditions herein set forth, the Underwriters hereby offer to purchase the State of Colorado Higher Education Health Sciences Facilities Certificates of Participation, Series 2024 in the aggregate principal amount of \$[PAR] (the “*Series 2024 Certificates*”), which evidence proportionate interests in the right to receive certain revenues under the State of Colorado Higher Education Health Sciences Facilities Series 2024 Financed Purchase of an Asset Agreement, dated as of [\_\_\_\_] 1, 2024 (the “*Financed Asset Agreement*”), between the Trustee, as lessor, and the State, acting by and through the State Treasurer, as lessee. The Series 2024 Certificates will be executed and delivered by the Trustee pursuant to a State of Colorado Higher Education Health Sciences Facilities Master Trust Indenture, dated as of [\_\_\_\_] 1, 2024 (the “*Master Indenture*”), supplemented and amended by the State of Colorado Higher Education Health Sciences Facilities Series 2024A Supplemental Trust Indenture, dated as of [\_\_\_\_] 1, 2024 (the “*Series 2024A Supplemental Indenture*” and together with the Master Indenture, the “*Indenture*”), executed by the Trustee. This offer is made subject to acceptance by the State and the Trustee on or before 11:59 p.m., [August] \_\_, 2024, and, if not accepted, will be subject to withdrawal by the



Underwriters upon written notice delivered by the Representative to the State and the Trustee at any time prior to acceptance by the State and the Trustee.

The Series 2024 Certificates are being issued to (i) finance the Projects; and (ii) pay the costs of execution and delivery of the Series 2024 Certificates.

*Section 1. Representations, Warranties and Agreements of the State.*

By acceptance hereof, the State hereby represents and warrants to the Underwriters, and agrees with the Underwriters that:

(a) The State is authorized to act for the purpose of exercising the powers contained in the Act including entering into, executing and delivering the Financed Asset Agreement, the Site Leases and the Site Sublease (each as defined below) and causing the execution and delivery of the Series 2024 Certificates pursuant to the Indenture.

(b) The State has full power and authority to consummate all transactions contemplated by this Certificate Purchase Agreement; the Indenture; the Series 2024 Certificates; the Financed Asset Agreement; the Site Leases each dated as of [\_\_\_\_\_] 1, 2024 (each a “*Site Lease*” and collectively, the “*Site Leases*”), from each of the four Higher Education Institutions, as a lessor, to the State, as lessee; the Site Sublease dated as of [\_\_\_\_\_] 1, 2024 (the “*Site Sublease*”), by and between the State, as lessor, and the Trustee, as lessee; the Continuing Disclosure Undertaking dated as of the Closing Date (the “*Continuing Disclosure Undertaking*”); and any and all other agreements relating thereto (collectively, the “*Certificate Documents*”).

(c) The State has executed and delivered or will execute and deliver, at or before the Closing Time, this Certificate Purchase Agreement, the Financed Asset Agreement, the Site Leases, the Site Sublease and the Continuing Disclosure Undertaking (collectively, the “*State Documents*”). Each of the State Documents constitutes, or will as of the Closing Time constitute, a legal, valid and binding obligation of the State enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted. Each of the State Documents has been executed and delivered or will be executed and delivered, at or before the Closing Time, by each respective signatory and is currently in full force and effect or, as of the Closing Time, will be in full force and effect.

(d) The Preliminary Official Statement dated [POS DATE], 2024 (the “*Preliminary Official Statement*”) was in a form deemed final by the State for purposes of Rule 15c2-12 of the Securities and Exchange Commission (“*Rule 15c2-12*” and the “*SEC*”), except for the omission of not more than the following: offering prices, interest rates, selling compensation, aggregate principal amount, delivery dates, and other terms depending on such matters. The Official Statement dated [OS DATE], 2024 (the “*Official Statement*”) shall be in a form which the State deems final and complete for purposes of paragraph (b)(4) of Rule 15c2-12. The Official Statement shall be provided for distribution, at the expense of the State, in such quantity as may be requested by the Representative no later than the earlier of (i) seven (7) business days after the date of this Certificate Purchase Agreement or (ii) one (1) business day prior to the Closing Date (as hereinafter defined), in order to permit the Underwriters to comply with Rule 15c2-12, and the applicable rules of the Municipal Securities Rulemaking Board (the “*MSRB*”), with respect to



distribution of the Official Statement. The State shall prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the MSRB's Rule G-32 ("*Rule G-32*") and shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Representative no later than one (1) business day prior to the Closing Date to enable the Underwriters to comply with Rule G-32. The Representative hereby agrees to deposit the Official Statement with the Municipal Securities Rulemaking Board on its Electronic Municipal Markets Access ("*EMMA*") system, if required by Rule G-32.

(e) The information contained in the Preliminary Official Statement was, as of its date, and is, as of the date hereof, true and correct and did not, as of its date, and does not as of the date hereof, contain any untrue statement of a material fact and did not as of its date, and does not as of the date hereof, omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The information contained in the Official Statement will, as of its date and as of the Closing Date, be true and correct and will not, as of its date, and as of the Closing Date, contain any untrue statement of a material fact and will not, as of its date, and as of the Closing Date, omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(f) The State has duly authorized all necessary action to be taken for: (i) the issuance and sale of the Series 2024 Certificates upon the terms set forth herein and in the Official Statement; (ii) the approval and execution of the Official Statement; (iii) the execution, delivery, receipt and due performance of State Documents and any and all such other agreements and documents as may be required to be executed and delivered by the State in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement; and (iv) the carrying out, giving effect to and consummation of the transactions contemplated hereby and by the Official Statement.

(g) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the State's knowledge, threatened against or affecting the State (or to the State's knowledge any basis therefor), wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Official Statement or the validity of the Series 2024 Certificates, the Indenture, the State Documents or any agreement or instrument to which the State is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement.

(h) The execution and delivery of the Official Statement, the State Documents and the other agreements to which the State is a party contemplated hereby and by the Official Statement, and compliance with the provisions thereof, will not conflict with or constitute on the part of the State a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the State or by which the State are or may be bound.

(i) Any certificate signed by an officer of the State duly authorized to execute documents regarding the issuance of the Series 2024 Certificates and delivered to the Underwriters shall be deemed a representation and warranty to the Underwriters as to the statements made therein.

(j) Except as disclosed in the Official Statement, during the last five years, the State has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(k) If after the date of this Certificate Purchase Agreement and until 25 days after the end of the “underwriting period” (as defined in Rule 15c2-12), any event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Representative, an amended or supplemented Official Statement should be delivered in connection with the offers or sales of the Series 2024 Certificates to reflect such event, the State promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the State shall promptly furnish to the Representative a reasonable number of copies of such amendment or supplement.

*Section 2. Representations, Warranties and Agreements of the Trustee.*

The Trustee hereby agrees with, and makes the following representations and warranties to, the Underwriters and the State, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

(a) The certifications and representations made by the Trustee in the Indenture, the Site Sublease and the Financed Asset Agreement will be true and accurate at the time of the Closing.

(b) Pursuant to applicable law, the Trustee has, and at the time of the Closing will have, full legal right, power and authority (i) to execute and to deliver this Certificate Purchase Agreement, the Indenture, Site Sublease, the Financed Asset Agreement and the Series 2024 Certificates, (ii) to perform its obligations under this Certificate Purchase Agreement, the Indenture, the Site Sublease and the Financed Asset Agreement (collectively, the “*Trustee Documents*”), and (iii) to carry out and to consummate the transactions contemplated by the Trustee Documents.

(c) Upon execution and delivery of this Certificate Purchase Agreement by the State, the Trustee and the Representative, this Agreement will be the legal, valid, and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, and at the Closing, the Trustee Documents will be the legal, valid, and binding obligations of the Trustee, enforceable against the Trustee in accordance with their respective terms, except in each case as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, and other laws affecting creditors’ rights generally from time to time in effect, and rights of acceleration, indemnity, and contribution, and the availability of equitable remedies may be limited by equitable principles.

(d) The Series 2024 Certificates, when executed and delivered pursuant to the Indenture, will represent proportionate interests in the right to receive Financed Asset Agreement Revenues (as defined in the Indenture), payable solely from the Trust Estate (as defined in the Indenture) in accordance with, and subject to, the terms of the Indenture.

(e) Any certificate signed by an authorized officer of the Trustee in connection with the transactions contemplated by the Trustee Documents delivered to the Underwriters on or after the date hereof through the Closing shall be deemed a representation and warranty of the Trustee to the Underwriters as to the accuracy of the statements made therein.

*Section 3. Purchase, Sale and Delivery of the Series 2024 Certificates.*

On the basis of the representations, warranties and covenants contained herein, and subject to the terms and conditions herein set forth, at the Closing (as hereinafter defined), the Underwriters agree to purchase from the Trustee and the Trustee agrees to sell to the Underwriters the Series 2024 Certificates at a purchase price equal to [\$PURCHASE PRICE] (being the par amount thereof (\$\_\_\_\_\_), [plus/minus (net) original issue premium/(discount) of \$\_\_\_\_\_] , less an Underwriters' discount of \$\_\_\_\_\_).

Inasmuch as this purchase and sale represents a negotiated transaction, the State and the Trustee acknowledge and agree that: (i) the Underwriters are not acting as municipal advisors within the meaning of Section 15B of the Securities Exchange Act of 1934 (as amended, the "1934 Act"); (ii) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the State and the Underwriters and the Underwriters have financial and other interests that differ from those of the State; (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors, or fiduciaries to the State and have not assumed any advisory or fiduciary responsibility to the State with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the State on other matters); (iv) the only obligations the Underwriters have to the State with respect to the transaction contemplated hereby are expressly set forth in this Certificate Purchase Agreement; and (v) the State has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

The Series 2024 Certificates shall be issued under and secured, and shall be subject to redemption, as set forth in the Indenture. The Series 2024 Certificates shall be dated their date of original issuance and delivery and shall have the principal maturities and bear interest at the rates per annum shown on EXHIBIT A hereto.

Payment for the Series 2024 Certificates shall be made by wire transfer in immediately available federal funds payable to the order of the Trustee at the time of the closing for the Series 2024 Certificates at the offices of Greenberg Traurig, LLP, Bond Counsel to the State ("Bond Counsel"), at approximately 10:00 a.m., on [\_\_\_\_\_] , 2024 or such other place, time or date as shall be mutually agreed upon by the State, the Trustee and the Representative. The date of such delivery and payment is herein called the "Closing Date," and the hour and date of such delivery and payment is herein called the "Closing Time." The delivery of the Series 2024 Certificates shall be made in fully registered book-entry only form.

The Underwriters intend to make an initial public offering of the Series 2024 Certificates at interest rates not in excess of the initial interest rates as described in EXHIBIT A hereto; provided, however, the Underwriters reserve the right to change such initial public offering prices as the

Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Series 2024 Certificates (but in all cases subject to the requirements of Section 13 hereof), and may offer and sell the Series 2024 Certificates to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriters at prices lower than the public offering prices or yields greater than the yields set forth therein (but in all cases subject to the requirements of Section 13 hereof).

*Section 4. Conditions to the Underwriters' Obligations.*

The Underwriters' obligations hereunder shall be subject to the due performance by the State and the Trustee of their obligations and agreements to be performed hereunder at or prior to the Closing Time and to the accuracy of and compliance with the State's and the Trustee's representations and warranties contained herein, as of the date hereof and as of the Closing Time, and are also subject to the following conditions:

(a) The Series 2024 Certificates and the Indenture shall have been duly authorized, executed and delivered in the form approved by the Representative.

(b) At the Closing Time, the Representative shall receive:

(i) the unqualified opinion of Bond Counsel, dated the Closing Date, in the form appended to the Official Statement as Appendix D, which such opinion shall be addressed to the State, the Trustee and the Representative (or a reliance letter provided to the Representative in lieu thereof);

(ii) a supplemental opinion of Bond Counsel, dated the Closing Date, in form and substance acceptable to the Representative and its counsel, which such opinion shall be addressed to the State, the Trustee and the Representative;

(iii) a certificate, satisfactory to the Representative, of the Treasurer and/or of any other duly authorized officers of the State dated as of the Closing Date, to the effect that: (i) the State has duly performed all of their obligations to be performed at or prior to the Closing Time and that each of their representations and warranties contained herein is true as of the Closing Time; (ii) the State has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Certificate Documents and any and all such other agreements and documents as may be required to be executed and delivered by the State to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement; (iii) no litigation is pending, or, to his/her knowledge, threatened, to refrain or enjoin the issuance or sale of the Series 2024 Certificates or in any way affecting any authority for or the validity of the State Documents or the existence or powers of the State or its right to use the proceeds of the Series 2024 Certificates as contemplated; and (iv) the execution, delivery, receipt and due performance of the State Documents and the other agreements contemplated hereby and by the Official Statement under the circumstances contemplated hereby and thereby and the State's compliance with the provisions thereof will not conflict with or constitute on its part a breach of or a default under any court decree or order or any agreement, indenture, lease or other instrument or,

to the State's knowledge, any existing law or administrative regulation, decree or order to which the State is subject or by which the State may be bound;

(iv) an opinion of the Attorney General of the State, as counsel for the State, addressed to the State, the Trustee, and the Representative, to the effect that: (i) the State Documents have been duly authorized, executed and delivered by the State; (ii) such documents constitute valid and legally binding obligations of the State enforceable against the State; and (iii) except as described in the Official Statement (as to which no opinion will be issued by the Attorney General of the State), there is no action, suit proceeding, inquiry or any other litigation or investigation, at law or in equity, before or by any court, public board or body, which is pending or threatened against the State challenging the creation, organization or existence of the State, or the performance of any of the covenants contained in the State Documents, or the titles of its officers to their respective offices, or the execution, delivery and performance of the State Documents;

(v) a letter, dated as of the Closing Date, from Tate Law, P.C., disclosure counsel to the State, substantially to the effect that based on their participation as such counsel to the State in the preparation of the Preliminary Official Statement and final Official Statement as set forth in such letter, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements made in the Preliminary Official Statement or final Official Statement, no information came to the attention of the attorneys in such firm rendering legal services in connection with such representation that causes them to believe that the Preliminary Official Statement, as of its date and as of the date of pricing of the Series 2024 Certificates, or the final Official Statement, as of its date and as of the date of Closing (except, in the case of both documents, for any financial statements, demographic, economic, financial, or statistical data and any statements of trends, forecasts, estimates, projections, assumptions, or any expressions of opinion (by Bond Counsel or others), and information concerning The Depository Trust Company and its procedures contained in the Preliminary Official Statement or final Official Statement and their respective appendices, as to which they express no view) contained any untrue statement of a material fact or omitted any material fact required to be stated therein or necessary to make the statements in the Preliminary Official Statement or final Official Statement, in light of the circumstances under which they were made, not misleading, which such letter shall be addressed to the State, the Trustee and the Representative (or a reliance letter provided to the Representative in lieu thereof);

(vi) the opinion of Kline Alvarado Veio, P.C., Underwriters' Counsel, dated as of the Closing Date, and addressed to the Underwriters, in form and substance satisfactory to the Underwriters, including a portion to the effect that based on their participation as such counsel to the Underwriters in the preparation of the Preliminary Official Statement and final Official Statement as set forth in such letter, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements made in the Preliminary Official Statement or final Official Statement, no information came to the attention of the attorneys in such firm rendering legal services in connection with such representation that causes them to believe that the Preliminary Official Statement, as of its date and as of the date of pricing of the Series 2024 Certificates, or the final Official Statement, as of its date and as of the date of Closing (except, in the case of both documents,



for any financial statements, demographic, economic, financial, or statistical data and any statements of trends, forecasts, estimates, projections, assumptions, or any expressions of opinion (by Bond Counsel or others), and information concerning The Depository Trust Company and its procedures contained in the Preliminary Official Statement or final Official Statement and their respective appendices, as to which they express no view) contained any untrue statement of a material fact or omitted any material fact required to be stated therein or necessary to make the statements in the Preliminary Official Statement or final Official Statement, in light of the circumstances under which they were made, not misleading;

(vii) the opinion of counsel to the Higher Education Institutions (each an “*Institution*”), dated as of the Closing Date, addressed to the State, the Trustee, and the Representative, that (i) the Site Leases have been duly authorized executed and delivered by each Institution; (ii) such documents constitute valid and legally binding obligations of each Institution enforceable against the State; and (iii) except as described in the Official Statement, there is no action, suit proceeding, inquiry or any other litigation or investigation, at law or in equity, before or by any court, public board or body, which is pending or threatened against the Institution challenging the creation, organization or existence of the Institution, or the performance of any of the covenants contained in the Site Leases, or the titles of their officers to their respective offices, or the execution, delivery and performance of the Site Leases;

(viii) an opinion of Counsel to the Trustee, dated as of the Closing Date, addressed to the State, the Trustee, and the Representative, that (i) the Trustee’s representations in the Financed Asset Agreement, Site Sublease and Indenture are true and accurate as of the date of this Certificate Purchase Agreement and will be true and accurate as of the Closing Time; (ii) that the Financed Asset Agreement, Site Sublease and Indenture have been duly authorized, executed, delivered and are valid, binding and enforceable against the Trustee; and (iii) the Series 2024 Certificates have been duly executed and delivered by the Trustee.

(ix) evidence satisfactory to the Representative that the Series 2024 Certificates received ratings of “[ ]” and “[ ]” by Moody’s and S&P, respectively, which ratings have not been reduced, suspended, or revoked;

(x) a certificate, satisfactory to the Representative, of an authorized officer of the Trustee, dated as of the Closing Date, to the effect that: (i) the Trustee has duly performed all of its obligations to be performed at or prior to the Closing Time and that each of its representations and warranties contained herein is true as of the Closing Time; (ii) the Trustee has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Financed Asset Agreement, Site Sublease and the Indenture and any and all such other agreements and documents as may be required to be executed and delivered by the Trustee to carry out, give effect to and consummate the transactions contemplated hereby; (iii) the execution, delivery, receipt and due performance of the Financed Asset Agreement, Site Sublease and the Indenture and the other agreements contemplated hereby under the circumstances contemplated hereby and thereby and the Trustee’s compliance with the provisions thereof will not conflict with or constitute on its

part a breach of or a default under any court decree or order or any agreement, indenture, lease or other instrument or, to the Trustee's knowledge, any existing law or administrative regulation, decree or order to which the Trustee is subject or by which the Trustee may be bound; and

(xi) executed copies of the Certificate Documents;

(xii) the title insurance policy or policies, or a commitment therefor, insuring the Trustee's interest in the Financed Asset, subject only to encumbrances which are reasonably acceptable to the Representative; and

(xiii) such additional certificates and other documents as the Representative may reasonably request to evidence performance of or compliance with the provisions hereof and the transactions contemplated hereby and by the Official Statement.

*Section 5. The Underwriters' Right to Cancel.*

The Underwriters shall have the right to cancel their obligations hereunder to purchase the Series 2024 Certificates (such cancellation shall not constitute a default hereunder) by notifying the State and the Trustee in writing of their election so to do between the date hereof and the Closing Time, if any time hereafter and prior to the Closing Time:

(a) Any event or circumstance occurs or information becomes known that either makes untrue any statement of a material fact set forth in the Preliminary Official Statement or the Official Statement (other than any statement provided by the Underwriters) or results in an omission of a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(b) The market for the Series 2024 Certificates or the market prices of the Series 2024 Certificates or the ability of the Underwriters to enforce contracts for the sale of the Series 2024 Certificates shall have been materially and adversely affected, in the professional judgment of the Representative, by:

(i) An amendment to the Constitution of the United States or the State of Colorado shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation (whether or not then introduced) shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed (whether or not then introduced) for consideration by either such Committee by any member thereof or presented as an option for consideration (whether or not then introduced) by either such Committee by the staff of such Committee or by the staff of the joint Committee on

Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of Colorado or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of Colorado authority, with respect to federal or State of Colorado taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Series 2024 Certificates which, in the judgment of the Representative, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Issuer, its property or income, its securities (including the Series 2024 Certificates) or the interest thereon, or any tax exemption granted or authorized by State of Colorado legislation; or

(ii) The declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or

(iii) The declaration of a general banking moratorium by federal, New York, or State of Colorado authorities; or

(iv) The occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market; or

(v) Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(vi) A general suspension of trading on any national securities exchange; or

(c) Legislation enacted, introduced in the Congress or recommended for passage (whether or not then introduced) by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the Series 2024 Certificates, other securities of the State or obligations of the general character of the Series 2024 Certificates are not exempt from registration under the Securities Act of 1933 (as amended, the “1933 Act”), or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939 (the “1939 Act”); or

(d) Any change in or particularly affecting the Issuer, the Act, the Certificate Documents or the Financed Asset Agreement Revenues payable from the Trust Estate (in accordance with, and subject to, the terms of the Indenture) as the foregoing matters are described



in the Preliminary Official Statement or the Official Statement, which in the professional judgment of the Representative materially impairs the investment quality of the Series 2024 Certificates; or

(e) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2024 Certificates, or the issuance, offering or sale of the Series 2024 Certificates, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(f) A stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Series 2024 Certificates, or the execution and delivery of any State Documents, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including 1933 Act, the 1934 Act, or the 1939 Act, each as amended and as then in effect; or

(g) Any change or any development involving a prospective change in or affecting the business, properties or financial condition of the Issuer, except for changes which the Preliminary Official Statement and Official Statement discloses are expected to occur.

(h) Any litigation shall be instituted or be pending at the Closing to restrain or enjoin the issuance, sale or delivery of the Series 2024 Certificates, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the State Documents or the existence or powers of the State with respect to its obligations under the State Documents; or

(i) A reduction or withdrawal in any of the following assigned ratings, or, as of the Closing Date, the failure by any of the following rating agencies to assign the following ratings, to the Series 2024 Certificates: the ratings of “[ ]” and “[ ]” assigned by Moody’s and S&P, respectively; provided, however, that a change in outlook applicable to the State, announced by Moody’s or S&P, shall not permit the Underwriters to cancel their obligations hereunder to purchase the Series 2024 Certificates;

*Section 6. Payment of Expenses.*

All expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Series 2024 Certificates (including, without limitation, fees and disbursements of personnel of the State, the fees and disbursements of the Colorado Attorney General, the fees and disbursements of Bond Counsel, bond insurance fees, municipal advisor fees, trustee and paying agent fees and expenses, auditor fees and expenses, rating agency fees, and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Series 2024 Certificates, the Indenture, this Certificate Purchase Agreement, the Financed Asset Agreement, the Site Lease, the Continuing Disclosure Undertaking and all other agreements and documents contemplated

hereby), shall be paid by the Trustee out of the proceeds of the Series 2024 Certificates or by the State from other sources.

The State shall cause to be paid the Underwriters' discount set forth in Section 3 of this Certificate Purchase Agreement, and included in the expense component of the Underwriters' discount are actual expenses incurred or paid for by the Underwriters on behalf of the State in connection with the marketing, issuance, and delivery of the Series 2024 Certificates, including, but not limited to, advertising expenses, the costs of any preliminary and final blue sky memoranda, CUSIP fees, DTC Book-Entry fees and federal fund fees; provided however, that the Underwriters shall pay their own out-of-pocket expenses relating to regulatory fees (e.g., MSRB, PSA) in connection with the Series 2024 Certificates.

The State acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Series 2024 Certificates. If this Certificate Purchase Agreement shall be terminated by the Underwriters because of any failure or refusal on the part of the State or the Trustee to comply with the terms, or to fulfill any of the conditions of, this Certificate Purchase Agreement, or if for any reason the State, the Trustee or Underwriters shall be unable to perform its obligations under this Certificate Purchase Agreement, the State will reimburse the Underwriters for all out-of-pocket expenses reasonably incurred by the Underwriters in connection with this Certificate Purchase Agreement or the offering contemplated hereunder.

*Section 7. Conditions of the State's Obligations.*

The State's obligations hereunder are subject to the performance of the Trustee's and the Underwriters' performance of their respective obligations hereunder.

*Section 8. Representations, Warranties and Agreements to Survive Delivery.*

All of the State's and the Trustee's respective representations, warranties and agreements shall remain operative and in full force and effect, regardless of any investigations made by the Underwriters and shall survive delivery of the Series 2024 Certificates to the Underwriters.

*Section 9. Use of Official Statement.*

The State hereby ratifies, confirms and consents to and approves the use and distribution by the Underwriters before the date hereof of the Preliminary Official Statement and hereby authorizes and consents to the use by the Underwriters of the Official Statement in connection with the public offering and sale of the Series 2024 Certificates.

*Section 10. Notice.*

Any notice or other communication to be given to the State under this Certificate Purchase Agreement may be given by mailing or delivering the same in writing to the Colorado State Treasurer, 200 E. Colfax Avenue, 140 State Capitol, Denver, CO 80203, Attention: Deputy Treasurer, with a copy to Colorado State Controller, 1525 Sherman Street, 5th Floor, Denver,

Colorado 80203, Attention: State Controller; to the Trustee by mailing or delivering the same in writing to U.S. Bank Global Trust Services, 950 17th Street, DN-CO-5GCT, Denver, Colorado 80202; and any notice or other communication to be given to the Representative under this Certificate Purchase Agreement may be given by delivering the same in writing to BofA Securities, Inc., 333 South Hope Street, Suite 3820, Los Angeles, California 90071, Attention: Bryon Rockwell, Managing Director.

*Section 11. Amendments; Execution of Counterparts.*

This Certificate Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

*Section 12. Governing Law; Non-Assignability.*

The right and obligations of the parties to this Certificate Purchase Agreement shall be governed by, construed and enforced in accordance with the laws of the State. This Certificate Purchase Agreement may not be assigned by the State, the Trustee or the Underwriter

*Section 13. Establishment of Issue Price.*

(a) The Representative, on behalf of the Underwriters, agrees to assist the State in establishing the issue price of the Series 2024 Certificates and shall execute and deliver to the State at Closing an “issue price” or similar certificate, substantially in the form attached hereto as EXHIBIT B, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Representative, the State and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2024 Certificates. All actions to be taken by the State under this section to establish the issue price of the Series 2024 Certificates may be taken on behalf of the State by the State’s municipal advisor identified herein and any notice or report to be provided to the State may be provided to the State’s municipal advisor.

(b) [Except for the maturities set forth in Schedule I to Exhibit B attached hereto,] the State represents that it will treat the first price at which 10% of each maturity of the Series 2024 Certificates (the “10% Test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). If at that time the 10% test has not been satisfied as to any maturity of the Series 2024 Certificates, the Representative agrees to promptly report to the State the prices at which Series 2024 Certificates of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% test has been satisfied as to the Series 2024 Certificates of that maturity or the Closing Date. For purposes of this section, if Series 2024 Certificates mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2024 Certificates.

[(c) The Representative confirms that the Underwriters have offered the Series 2024 Certificates to the public on or before the date of this Purchase Agreement at the offering price or

prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I to EXHIBIT B attached hereto, except as otherwise set forth therein. Schedule I to EXHIBIT B also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Series 2024 Certificates for which the 10% Test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agrees that the restrictions set forth in the next sentence shall apply (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2024 Certificates, the Underwriters will neither offer nor sell unsold Series 2024 Certificates of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5<sup>th</sup>) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2024 Certificates to the public at a price that is no higher than the initial offering price to the public.]

[(c)/(d)] The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2024 Certificates to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Series 2024 Certificates of each maturity allocated to it until either all Series 2024 Certificates of that maturity allocated to it have been sold or it is notified by the Representative that the 10% Test has been satisfied as to the Series 2024 Certificates of that maturity and (ii) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of Series 2024 Certificates that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2024 Certificates to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters and any selling group agreement relating to the initial sale of the Series 2024 Certificates to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2024 Certificates to the public to require each broker-dealer that is a party

to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2024 Certificates of each maturity allocated to it until either all Series 2024 Certificates of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter that the 10% Test has been satisfied as to the Series 2024 Certificates of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

The State acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2024 Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Certificates, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2024 Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2024 Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Certificates, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2024 Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2024 Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The State further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement to comply with its agreement regarding the requirements for establishing issue price of the Series 2024 Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Certificates, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2024 Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Certificates.

[(d)/(e)] The Underwriters acknowledge that sales of any Series 2024 Certificates to any person that is a related party to an underwriter participating in the initial sale of the Series 2024 Certificates to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party to an underwriter,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the State (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Certificates to the

public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024 Certificates to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2024 Certificates to the public),

(iii) a purchaser of any of the Series 2024 Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Certificate Purchase Agreement by all parties.

[Signature pages follow]

Very truly yours,

BOFA SECURITIES, INC., as Representative of the  
Underwriters

By \_\_\_\_\_

Print \_\_\_\_\_

Its Managing Director \_\_\_\_\_

**DRAFT AND SUBJECT TO CHANGE**

Accepted at \_\_\_\_\_ a.m./p.m. Mountain Standard Time as of the date first above written:

STATE OF COLORADO, acting by and through the  
Department of the Treasury

By \_\_\_\_\_  
David L. Young, Treasurer



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U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

By \_\_\_\_\_

Print \_\_\_\_\_

Its \_\_\_\_\_

**SCHEDULE I**

**THE “UNDERWRITERS”**

**BOFA SECURITIES, INC.**

**JEFFRIES LLC**

**PIPER SANDLER & CO.**

**RBC CAPITAL MARKETS, LLC**

**STIFEL, NICOLAUS & COMPANY, INCORPORATED**

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**EXHIBIT A**

**MATURITY AND INTEREST RATE SCHEDULE**

**EXHIBIT B**

**FORM OF ISSUE PRICE CERTIFICATE**

**STATE OF COLORADO  
HIGHER EDUCATION HEALTH SCIENCES FACILITIES  
CERTIFICATES OF PARTICIPATION  
SERIES 2024**

The undersigned, BofA Securities, Inc., as representative of the underwriters (collectively, the “*Underwriter*”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “*Series 2024 Certificates*”).

1. [Alternative 1<sup>1</sup> – All Maturities Use General Rule: *Sale of the Series 2024 Certificates*. As of the date of this certificate, for each Maturity of the Series 2024 Certificates, the first price at which at least 10% of such Maturity of the Series 2024 Certificates was sold to the Public is the respective price listed in **Schedule I.**][Alternative 2<sup>2</sup> – Select Maturities Use General Rule: *Sale of the General Rule Maturities*. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Series 2024 Certificates was sold to the Public is the respective price listed in **Schedule I.**]

2. ***Initial Offering Price of the [Series 2024 Certificates] [Hold-the-Offering-Price Maturities]***.

(a) [Alternative 1<sup>3</sup> – All Maturities Use Hold-the-Offering-Price Rule: [\_\_\_\_\_] offered the Series 2024 Certificates to the Public for purchase at the respective initial offering prices listed in Schedule I (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2024 Certificates is attached to this certificate as Schedule II.] [Alternative 2<sup>4</sup> – Select Maturities Use Hold-the-Offering-Price Rule: The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule I (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2024 Certificates is attached to this certificate as **Schedule II.**]

(b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Series 2024 Certificates, they would neither offer nor sell any of the unsold Series 2024 Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-

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<sup>1</sup> If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

<sup>2</sup> If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

<sup>3</sup> If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

<sup>4</sup> Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. No member of the Underwriting Group has offered or sold any Maturity of the unsold Series 2024 Certificates at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2024 Certificates during the Holding Period.] [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the unsold Series 2024 Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. No member of the Underwriting Group has offered or sold any unsold Series 2024 Certificates of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2024 Certificates during the Holding Period.]

3. Total Issue Price. The total of the issue prices of all the Maturities is \$[\_\_\_\_\_].

4. Defined Terms

[(a) *General Rule Maturities* means those Maturities of the Series 2024 Certificates listed in Schedule I hereto as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Series 2024 Certificates listed in Schedule II hereto as the “Hold-the-Offering-Price Maturities.”]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2024), or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means the State of Colorado, acting by and through the Department of the Treasury.

(e) *Maturity* means Series 2024 Certificates with the same credit and payment terms. Series 2024 Certificates with different maturity dates, or Series 2024 Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

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(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2024 Certificates. The Sale Date of the Series 2024 Certificates is \_\_\_\_\_, 2024.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2024 Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Certificates to the Public).

All terms not defined herein shall have the same meanings as in the Arbitrage and Tax Certificate with respect to the Series 2024 Certificates, to which this Issue Price Certificate is attached. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by one or more other members of the underwriting syndicate. The representations set forth in this Issue Price Certificate are limited to factual matters only. Nothing in this Issue Price Certificate represents the Underwriters' interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied on by the State with respect to certain of the representations set forth in the Tax Compliance Certificate to which this Issue Price Certificate is attached and with respect to compliance with the federal income tax rules affecting the Series 2024 Certificates, and by Greenberg Traurig, LLP in connection with rendering its opinion that the interest on the Series 2024 Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the State from time to time relating to the Series 2024 Certificates. The representations set forth herein are not necessarily based on actual knowledge and, in certain circumstances, the undersigned may be relying on representations made by the other members of the Underwriting Group.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the undersigned, on behalf of the Underwriters, has set his or her hand as of the date first written above.

BOFA SECURITIES, INC., as Representative of the Underwriters

By \_\_\_\_\_

Print \_\_\_\_\_

Its Managing Director \_\_\_\_\_

Date \_\_\_\_\_

**SCHEDULE I OF EXHIBIT B**



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**[SCHEDULE II OF EXHIBIT B  
PRICING WIRES OR EQUIVALENT]**