

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, the portion of the Base Rent paid by the State which is designated and paid as interest on the Series 2021S Certificate (referred to herein as "interest") is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2021S Certificates (the "Tax Code"), interest on the Series 2021S Certificates is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Series 2021S Certificates is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Series 2021S Certificates as described herein. See "TAX MATTERS" herein.

\$150,415,000
STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
CERTIFICATES OF PARTICIPATION
TAX-EXEMPT SERIES 2021S

Dated: Date of Delivery**Due: March 15, as shown on the inside front cover**

The Series 2021S Certificates will be executed and delivered pursuant to and secured by a Master Trust Indenture, as supplemented (the "Indenture"), including a supplemental indenture securing the Series 2021S Certificates, executed and delivered by Zions Bancorporation, National Association, Denver, Colorado, as Trustee, and will evidence proportionate interests in the right of the Trustee to receive Base Rent and certain other amounts payable by the State of Colorado pursuant to certain annually renewable lease purchase agreements between the Trustee, as lessor, and the State, acting by and through the State Treasurer, as lessee, in respect of property that has been leased to the Trustee by certain Participating K-12 Institutions (or, in the case of some charter schools, the chartering entities) in connection with the funding of capital construction projects for such Participating K-12 Institutions, and in turn subleased back from the State by such Participating K-12 Institutions, pursuant to the State's Building Excellent Schools Today (BEST) grant program as described herein. *Capitalized terms not otherwise defined on this cover page have the meanings set forth in this Official Statement.*

The net proceeds of the Series 2021S Certificates will be used to (a) pay the costs of projects for K-12 public school institutions (the "Participating K-12 Institutions") that have been reviewed, prioritized and recommended by the Public School Capital Construction Assistance Board (the "Assistance Board") for approval by the State Board of Education and the State's Capital Development Committee, (b) pay the costs of issuance of the 2021S Certificates and (c) make deposits to funds and accounts held by the Trustee under the Indenture.

The Series 2021S Certificates will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Series 2021S Certificates. Beneficial Ownership Interests in the Series 2021S Certificates, in non-certificated book entry only form, may be purchased in integral multiples of \$5,000 by or through participants in the DTC system. Beneficial Ownership Interests will be governed as to receipt of payments, notices and other communications, transfers and various other matters with respect to the Series 2021S Certificates by the rules and operating procedures applicable to the DTC book entry system as described herein.

The Series 2021S Certificates bear interest at the rates per annum set forth on the inside front cover hereof payable semi-annually on each March 15 and September 15, commencing March 15, 2022, and mature in the amounts and on the dates set forth on the inside front cover hereof, subject to optional, mandatory and extraordinary redemption prior to maturity as described herein.

Maturity Schedules on the Inside Front Cover

The Series 2021S Certificates are secured on a parity basis with all other Series of Certificates executed and delivered pursuant to the Indenture, all of which evidence undivided interests in the right to receive the Lease Revenues as described herein, and are payable solely from the Trust Estate under the Indenture without preference, priority or distinction of any Certificate over any other Certificate. The Rent under the Leases is payable by the State from moneys in the Public School Capital Construction Assistance Fund, which is funded from revenues received by the State from: (i) a portion of rental income and royalties derived from State school lands; (ii) a portion of the State lottery proceeds; (iii) payments of Matching Moneys from certain K-12 public school institutions, including charter schools, for which the projects are financed; (iv) excise tax revenue from marijuana sales; and (v) if the amount in the Assistance Fund is insufficient to pay the full amount of the payments due to be made under the Leases, any moneys that the Colorado General Assembly transfers to the Assistance Fund from any other legally available sources, including the State General Fund. Upon the occurrence of an Event of Default or an Event of Nonappropriation under any Lease, the Trustee will be entitled to exercise certain remedies with respect to the Leased Property that the State has leased from the Trustee pursuant to the Leases, subject to the terms of the Leases and the Indenture.

Payment of Rent and all other payments by the State constitute currently appropriated expenditures of the State and may be paid solely from legally available moneys in the Assistance Fund, including any moneys appropriated or transferred by the General Assembly to the Assistance Fund from any legally available source if the amount of money in the Assistance Fund that is available to pay Rent will be insufficient to cover the full amount of Rent. All obligations of the State under the Leases are subject to the action of the 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 Leases are subject to appropriation by the General Assembly in its sole discretion, and are not to 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 or 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 any Leases, the sole security available to the Trustee, as lessor under the Leases, is the Leased Property leased under the Leases, subject to the terms of the Leases.

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 2021S Certificates are offered when, as and if delivered, subject to the approving opinion of Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel, and certain other conditions. Tate Law, P.C., Denver, Colorado, 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. Stradling Yocca Carlson & Rauth, Denver, Colorado, has acted as counsel to the Underwriters set forth below in connection with the execution and delivery of the Series 2021S Certificates. Hilltop Securities Inc., Denver, Colorado, has acted as municipal advisor to the State in connection with the offering and execution and delivery of the Series 2021S Certificates. It is expected that the Series 2021S Certificates will be executed and available for delivery through the facilities of DTC on or about December 9, 2021.

RBC Capital Markets

J.P. Morgan

Citigroup

Stifel

Official Statement Dated November 17, 2021

MATURITY SCHEDULE

\$150,415,000¹

**STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
CERTIFICATES OF PARTICIPATION
TAX-EXEMPT SERIES 2021S**

Maturing (March 15)	Principal Amount	Interest Rate	Yield	CUSIP No.®
2022	\$ 6,115,000	5.00%	0.15%	19668QNB7
2023	1,505,000	5.00	0.27	19668QNC5
2024	1,250,000	5.00	0.40	19668QND3
2025	1,375,000	5.00	0.51	19668QNE1
2026	1,445,000	5.00	0.65	19668QNF8
2027	1,530,000	5.00	0.78	19668QNG6
2028	1,605,000	5.00	0.97	19668QNH4
2029	1,690,000	5.00	1.05	19668QNJ0
2030	1,780,000	5.00	1.20	19668QNK7
2031	2,150,000	5.00	1.26	19668QNL5
2032	2,710,000	5.00	1.34 ¹	19668QNM3
2033	3,695,000	5.00	1.36 ¹	19668QNN1
2034	4,375,000	5.00	1.40 ¹	19668QNP6
2035	4,920,000	5.00	1.44 ¹	19668QNQ4
2036	5,160,000	4.00	1.64 ¹	19668QNR2
2037	5,370,000	4.00	1.67 ¹	19668QNS0
2038	5,585,000	4.00	1.71 ¹	19668QNT8
2039	5,805,000	4.00	1.75 ¹	19668QNU5
2040	6,035,000	4.00	1.78 ¹	19668QNV3
2041	6,280,000	4.00	1.81 ¹	19668QNW1

Series 2021S Term Certificate

\$80,035,000 4.00% Term Certificate due March 15, 2046 Yield 2.01%¹ CUSIP: 19668QNX9

© CUSIP is a registered trademark of the American Bankers Association. The CUSIP data included herein has been provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, and is provided solely for the convenience of the purchasers of the Series 2021S Certificates and only as of the issuance of the Series 2021S Certificates. None of the State, the Trustee or the underwriters of the Series 2021S Certificates (the "Underwriters") has any responsibility for the accuracy of such data now or at any time in the future. The CUSIP numbers for the Series 2021S Certificates may be changed after the issuance of the Series 2021S Certificates as the result of various subsequent actions, including, without limitation, a refunding of all or a portion of the Series 2021S Certificates or the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2021S Certificates.

¹ Priced to the first optional call date of March 15, 2031 at par.

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 2021S 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 2021S 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 2021S 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 Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Trustee has not participated in the preparation of this Official Statement or any other disclosure documents relating to the Series 2021S Certificates and does not have or assume any responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents.

This Official Statement has been prepared only in connection with the original offering of the Series 2021S Certificates and may not be reproduced or used in whole or in part for any other purpose.

The Series 2021S 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 2021S Certificates and the terms of the offering, including the merits and risks involved. The Series 2021S 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 Official Statement.

THE PRICES AT WHICH THE SERIES 2021S 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 INSIDE FRONT COVER OF THIS OFFICIAL STATEMENT. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO

DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE SERIES 2021S CERTIFICATES, THE UNDERWRITERS MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE SERIES 2021S CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Cautionary Statement 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 “STATE FINANCIAL INFORMATION,” “DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS,” “LITIGATION, GOVERNMENTAL IMMUNITY AND SELF INSURANCE” and in “APPENDIX E—THE STATE GENERAL FUND,” “APPENDIX F—OSPB SEPTEMBER 2021 REVENUE FORECAST,” “APPENDIX G—PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND” and “APPENDIX J—STATE PENSION SYSTEM,” 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 the 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
Relating to

\$150,415,000
STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
CERTIFICATES OF PARTICIPATION
TAX-EXEMPT SERIES 2021S

INTRODUCTION

This Official Statement, including the cover page, inside front cover and appendices, provides information in connection with the offering and sale of the State of Colorado Building Excellent Schools Today Certificates of Participation, Tax-Exempt Series 2021S (the “Series 2021S Certificates”). Capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Glossary in the form of the hereinafter defined 2021S Supplemental Indenture appended to this Official Statement.

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. A full review should be made of the entire Official Statement. The offering of Series 2021S Certificates to potential investors is made only by means of the entire Official Statement.

COVID-19 (Coronavirus)

The spread of a novel strain of coronavirus called COVID-19 is currently altering the behavior of businesses and people in a manner that is having significant negative effects on global, national, state, and local economies. As further described under “CERTAIN RISK FACTORS—Potential Impact of COVID-19 (Coronavirus),” the Governor issued an executive order on October 30, 2020, and expired on April 16, 2021, consolidating numerous prior orders which imposed various restrictions upon Colorado residents and businesses.

COVID-19 has resulted in a substantial reduction of revenues historically available to the State, as well as requiring significant public health emergency response costs. However, the OSPB September 2021 Revenue Forecast forecasted revenues to the State General Fund greater than those forecast in the OSPB June 2021 Revenue Forecast. The combined effect of the State’s budget reduction measures in 2020 will likely result in the State having revenues in excess of those in the fiscal year 2020-2021 budget that by law, will roll forward to successive budget years. **Investors should review information regarding the COVID-19 pandemic in “CERTAIN RISK FACTORS—Potential Impact of COVID-19 (Coronavirus)” and Appendices E and F. As discussed herein, COVID-19 has materially adversely impacted the finances of the State beginning in Fiscal Year 2020.** Unless, otherwise noted, historical, financial, economic, and demographic data contained herein does not reflect the impact of COVID-19.

The Indenture, the Prior Certificates and the Leases

The Indenture. The Series 2021S Certificates are being executed and delivered by Zions Bancorporation, National Association, Denver, Colorado, as trustee (the “Trustee”), pursuant to the State of Colorado Building Excellent Schools Today Master Trust Indenture, dated August 12, 2009 (the “Master Indenture”), as previously amended and supplemented by supplemental indentures related to the several

series of certificates of participation previously executed and delivered pursuant thereto and as amended and supplemented by the Series 2021S Supplemental Trust Indenture (the “2021S Supplemental Indenture”) to be dated as of the date of delivery of the Series 2021S Certificates (the “Closing Date”), in connection with the execution and delivery of the Series 2021S Certificates. The Master Indenture, as amended and supplemented to the Closing Date and as may be further amended and supplemented from time to time, is referred to herein collectively as the “Indenture.”

The Prior Certificates. Other certificates of participation have been executed and delivered pursuant to the Indenture (collectively, the “Prior Certificates”) in addition to the Series 2021S Certificates (each series of which is referred to herein as a “Series” and collectively, with the Series 2021S Certificates, as the “Certificates”). Upon the execution and delivery of the Series 2021S Certificates, the following certificates of participation that have previously been executed and delivered pursuant to the Indenture will also be outstanding in the aggregate principal amount of \$1,312,560,000. See “PLAN OF FINANCING—The Program.”

- State of Colorado Building Excellent Schools Today Certificates of Participation, Qualified School Construction Series 2009A (the “Series 2009A Certificates”), delivered in the original aggregate principal amount of \$87,145,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$87,145,000¹;
- State of Colorado Building Excellent Schools Today Certificates of Participation, Taxable Qualified School Construction Series 2010D (the “Series 2010D Certificates”), delivered in the original aggregate principal amount of \$95,690,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$95,690,000¹;
- State of Colorado Building Excellent Schools Today Certificates of Participation, Tax Exempt Series 2012H (the “Series 2012H Certificates”), delivered in the original aggregate principal amount of \$195,965,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$17,060,000;
- State of Colorado Building Excellent Schools Today Certificates of Participation, Tax Exempt Series 2013I (the “Series 2013I Certificates”), delivered in the original aggregate principal amount of \$89,510,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$13,900,000;
- State of Colorado Building Excellent Schools Today Certificates of Participation, Tax Exempt Series 2017J (the “Series 2017J Certificates”), delivered in the original aggregate principal amount of \$156,305,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$156,305,000;
- State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Tax Exempt Series 2017K (the “Series 2017K Certificates”), delivered in the original aggregate principal amount of \$115,790,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$78,880,000;
- State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Tax-Exempt Series 2018L (the “Series 2018L Certificates”), delivered in the original aggregate

¹ The Series 2009A Certificates and Series 2010D Certificates are not subject to redemption prior to their respective maturity dates. However, the Trustee is required under the Master Indenture to deposit into the respective Sinking Fund Accounts established within the Certificate Fund for the Series 2009A Certificates and the Series 2010D Certificates that portion of each payment of Base Rent by the State which is designated and paid as the related Sinking Fund Principal under the related Lease, which amounts are to be applied to the payment of the principal amount of the related Certificates at maturity. As of November 1, 2021, amounts of \$69,728,211.35 and \$56,439,844.39 have been deposited in the Sinking Fund Accounts for the Series 2009A Certificates and 2010D Certificates, respectively

principal amount of \$75,290,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$67,875,000;

- State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Tax-Exempt Series 2018M (the “Series 2018M Certificates”), delivered in the original aggregate principal amount of \$93,535,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$82,665,000;
- State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Tax-Exempt Series 2018N (the “Series 2018N Certificates”), delivered in the original aggregate principal amount of \$240,425,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$231,365,000;
- State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Tax-Exempt Series 2019O (the “Series 2019O Certificates”), delivered in the original aggregate principal amount of \$165,805,00 and to be outstanding on the Closing Date in the aggregate principal amount of \$158,075,000;
- State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Taxable (Convertible to Tax-Exempt) Series 2019P (the “Series 2019P Certificates”), delivered in the original aggregate principal amount of \$155,595,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$154,835,000;
- State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Taxable (convertible to Tax-Exempt) Series 2019Q (the “Series 2019Q Certificates”), delivered in the original aggregate principal amount of \$74,935,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$74,200,000; and
- State of Colorado Building Excellent Schools Today Certificates of Participation, Series 2020R (the “Series 2020R Certificates”), delivered in the original aggregate principal amount of \$98,030,000 and to be outstanding on the Closing Date in the aggregate principal amount of \$94,565,000.

The Leases. The Series 2021S Certificates and all other Series of Certificates are payable and secured on a parity basis and evidence undivided interests in the right to certain payments by the State under annually renewable lease purchase agreements entered into from time to time by and between the Trustee, as lessor, and the State of Colorado (the “State”), acting by and through the State Treasurer (the “State Treasurer”), as lessee, pursuant to the Indenture, referred to herein collectively as the “Leases.” Upon the execution and delivery of the Series 2021S Certificates, the Leases will include the following:

- Series 2009A Lease Purchase Agreement, dated as of August 12, 2009;
- Series 2015 Lease Purchase Agreement dated as of February 12, 2015;
- Series 2017J Lease Purchase Agreement dated as of December 7, 2017;
- Series 2017K Amended and Restated Lease Purchase Agreement dated as of December 7, 2017, which amends and restates the Series 2011G Lease Purchase Agreement dated as of December 8, 2011;
- Series 2018L Amended and Restated Lease Purchase Agreement dated as of September 18, 2018, which amends and restates the Series 2010B-C Lease Purchase Agreement dated as of March 16, 2010;

- Series 2018M Amended and Restated Lease Purchase Agreement dated as of September 18, 2018, which amends and restates the Series 2010D-F Lease Purchase Agreement dated as of December 16, 2010 (the “2018M Lease”);
- Series 2018N Lease Purchase Agreement dated as of December 6, 2018 (the “2018N Lease”);
- Series 2019O Lease Purchase Agreement dated as of December 5, 2019 (the “2019O Lease”);
- Series 2019P Amended and Restated Lease Purchase Agreement dated as of December 27, 2019, which amends and restates the Series 2012H Lease Purchase Agreement dated as of December 6, 2012 (the “2019P Lease”);
- Series 2019Q Lease Purchase Agreement dated as of December 27, 2019, which amends and restates the Series 2013I Lease Purchase Agreement dated as of December 9, 2013 (the “2019Q Lease”);
- Series 2020R Lease Purchase Agreement dated as of December 9, 2020 (the “2020R Lease”); and
- Series 2021S Lease Purchase Agreement to be dated as of Closing (the “2021S Lease”).

The Leases will also include any other annually renewable lease purchase agreements that may be entered into in the future between the Trustee, as lessor, and the State, acting by and through the State Treasurer, as lessee, pursuant to the Indenture.

The Leased Property. Each of the Series 2021S Participating K-12 Institutions is entering into a Site Lease with the Trustee dated as of the date of delivery of the Series 2021S Certificates (the “2021S Site Leases”) pursuant to which, in each case, certain land owned (or acquired prior to or contemporaneously with the execution and delivery of the Series 2021S Certificates) by the respective Series 2021S Participating K-12 Institution and the buildings, structures and improvements now or hereafter located on such land (collectively, the “2021S Leased Property”) will be leased to the Trustee. See “SECURITY AND SOURCES OF PAYMENT—The Leased Property” and “CERTAIN RISK FACTORS—Effect of a Nonrenewal of the Lease.” The 2021S Leased Property, with the additional Leased Property which has already or may in the future be leased under the 2021S Lease, the Prior Leases, additional Leases or amendments to the Prior Leases or the 2021S Lease is referred to herein as the “Leased Property.” The 2021S Leased Property is being leased by the Trustee to the State, pursuant to the 2021S Lease and the State is subleasing the 2021S Leased Property to the respective Participating K-12 Institutions under certain Subleases each dated as of the date of delivery of the Series 2021S Certificates (the “2021S Subleases”). Any additional Leased Property which the State has already chosen or chooses in the future to lease under the Prior Leases or additional Leases or amendments to the Prior Leases, the 2021S Lease will secure all holders of Certificates under the Master Indenture, including holders of the Series 2021S Certificates on a parity basis. The State may substitute other property for any portion of the Leased Property upon delivery to the Trustee of certain items as described in “SECURITY AND SOURCES OF PAYMENT—The Leased Property—Substitution of Leased Property.” Upon any decision of the State not to appropriate and thereby terminate the 2021S Lease or any other Lease in a particular year, the State would relinquish its right to use all the Leased Property (including the 2021S Leased Property) or any portion thereof through the term of the respective Site Leases. In such event, the Participating K-12 Institution which is the Sublessee of such Leased Property (and, in the case of a charter school, its chartering school entity) will have the option to purchase a portion of such Leased Property under the related Sublease upon certain conditions as further described herein. See “SECURITY AND SOURCES OF PAYMENT—The Leased Property—Sublessee’s Purchase Option.”

Authorization

The Act. The Series 2021S Certificates are being executed and delivered under authority granted by the constitution and laws of the State and particularly Part 1 of Article 43.7 of Title 22, Colorado Revised Statutes, as amended (“C.R.S.”), referred to herein as the “Act” or the “BEST Act.” Pursuant to the Act, the Colorado General Assembly (the “General Assembly”) has created the Public School Capital Construction Assistance Board (the “Assistance Board”) within the Colorado Department of Education and provided that the Assistance Board may authorize the execution by the State Treasurer of lease purchase agreements and related instruments in order to fund the costs of certain capital construction projects (the “Projects”) for K-12 public school institutions (the “Participating K-12 Institutions”) that are reviewed, prioritized and recommended by the Assistance Board for approval by the State Board of Education (the “State Board”) and the Capital Development Committee established by statute (the “Capital Development Committee”) for school districts, boards of cooperative services, charter schools or the Colorado School for the Deaf and Blind in the State, to pay the costs of issuance of the Certificates and to make deposits to funds and accounts held by the Trustee under the Indenture. The 2021S Lease is being entered by the State in order to fund certain Projects approved by the State Board and Capital Development Committee in June of 2021 (collectively, the “2021 State Approval”) as described in “The Series 2021S Projects” under this caption for the Series 2021S Participating K-12 Institutions in accordance with the Act. See “The Program” and “The Series 2021S Participating K-12 Institutions” under this caption. See also “PLAN OF FINANCING—The Program” for further information about the Act.

The execution by the State of any future Leases for Projects not authorized as described above would require authorization by the State, as well as authorization by the General Assembly if the aggregate Rent (which includes the Base Rent and Additional Rent, both as described hereinafter) payable under such future Leases, together with the then existing Leases, would cause the maximum aggregate annual lease payments permitted by the Act to be exceeded. For a description of the Program and such maximum aggregate annual lease payments, see “PLAN OF FINANCING—The Program.”

The Program. The Act establishes the Building Excellent Schools Today grant program (the “Program” or the “BEST Program”), which provides funding to rebuild, repair or replace the State’s most dangerous and necessary K-12 facilities for the most needy institutions, and leverages such financial assistance through local matching contributions from such institutions. Schools and proposed projects for funding are evaluated by the Assistance Board through an ongoing application process supplemented by a Statewide needs assessment and site visits. Applications are prioritized by the Assistance Board based on the following criteria, in descending order of importance: (1) projects addressing health, safety, security and technology; (2) projects to relieve overcrowding; and (3) all other projects. The Assistance Board’s review results in a prioritized list of projects to be submitted to the State for final approval.

The State has funded a variety of Projects pursuant to the Program through the execution and delivery of the Prior Certificates, as well as various Series of Certificates that have been paid in full, and has entered into Leases with respect to all of such Projects. See “The Indenture, the Leases and the Prior Certificates” above in this section. The Projects funded with the Prior Certificates are described in “APPENDIX H—LEASED PROPERTY RELATING TO THE PRIOR CERTIFICATES.” The 2021S Lease is being entered into by the State in order to fund certain Projects as further described in “The Series 2021S Projects” under this caption (the “Series 2021S Projects”). The Master Indenture permits the execution of additional Leases, or amendments to Leases, and the execution and delivery of additional Series of Certificates under the Master Indenture, to fund additional Projects as part of the Program as described in “Additional Certificates” in this section and “SECURITY AND SOURCES OF PAYMENT—Additional Series of Certificates.” The Series 2021S Certificates are payable and secured on parity with the Prior Certificates and any future Certificates executed and delivered pursuant to the Master Indenture. The State could also choose to fund future Projects through certificates of participation that are not executed

and delivered pursuant to the Master Indenture, in which case the related leased property would not secure the Series 2021S Certificates. See also “SECURITY AND SOURCES OF PAYMENT—The Leased Property.”

The Assistance Fund. The Series 2021S Certificates will be payable solely from amounts annually appropriated by the General Assembly to make payments under the Leases, as described in “Security and Sources of Payment” in this section and “SECURITY AND SOURCES OF PAYMENT—Payments by the State.” The Act requires that, to the extent appropriated, such payments by the State be made from the Public School Capital Construction Assistance Fund created by the Act (the “Assistance Fund”). The Act provides that the Assistance Fund is to be partially funded from a portion of rental income and royalties derived from State school lands, from a portion of moneys paid to the State by Participating K-12 Institutions in amounts approved by the State as a condition to the financial assistance provided to such Participating K-12 Institutions (“Matching Moneys”), a portion of State lottery proceeds, excise tax revenues from marijuana sales and, if the amount in the Assistance Fund is insufficient to pay the full amount due to be made under the Leases, any moneys that the General Assembly transfers from any other legally available sources, including the State General Fund. The obligation of a Participating K-12 Institution to pay Matching Moneys to the State, if applicable, may be satisfied by (a) cash, (b) a bond issued by a Participating K-12 Institution or its chartering entity and delivered to the State (a “Matching Moneys Bond”), or (c) installment payments made by the Participating K-12 Institution to the State. ***Matching Moneys and other amounts deposited in the Assistance Fund do not directly secure payment of the Certificates. Once Matching Moneys are deposited in the Assistance Fund, such amounts are available to be appropriated by the State to pay principal and interest on the Certificates or for other purposes permitted by the Act, including, without limitation, defraying the cost of Projects.*** See “APPENDIX G—THE PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND” for a description of the Assistance Fund.

The Act currently provides that the balance of the Assistance Fund as of each June 30 is to be at least equal to the total amount of payments to be made by the State during its next “Fiscal Year” (being the period from July 1 to the ensuing June 30) under the terms of any lease purchase agreement entered into pursuant to the Act less the amount of any Matching Moneys and certain federal moneys to be received for the purpose of making the payments.

Prospective investors should closely review the financial and other information included in this Official Statement regarding the State, including the Assistance Fund and the State General Fund, to evaluate any risks of nonappropriation by the General Assembly. See “STATE FINANCIAL INFORMATION,” “DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS,” “APPENDIX A—STATE OF COLORADO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020, AND STATE OF COLORADO UNAUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021,” “APPENDIX E—THE STATE GENERAL FUND,” “APPENDIX F—OSPB SEPTEMBER 2021 REVENUE FORECAST,” “APPENDIX G—PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND,” “APPENDIX H—LEASED PROPERTY RELATING TO THE PRIOR CERTIFICATES” and “APPENDIX J—STATE PENSION SYSTEM.”

Purposes of the Series 2021S Certificates

Proceeds from the sale of the Series 2021S Certificates will be used to finance the costs of the Series 2021S Projects for the Series 2021S Participating K-12 Institutions, as more fully described in “Series 2021S Participating K-12 Institutions” under this caption and “PLAN OF FINANCING—The Series 2021S Projects and Series 2021S Participating K-12 Institutions.” Proceeds of the Series 2021S Certificates will also be used to fund a deposit to the State Public Financing Cash Fund and to pay the costs

of issuance associated with the Series 2021S Certificates. See “PLAN OF FINANCING—Sources and Uses of Funds” for a description of the estimated uses of proceeds of the Series 2021S Certificates.

Series 2021S Participating K-12 Institutions

Proceeds of the Series 2021S Certificates are expected to be used to fund the Series 2021S Projects for the benefit of the following entities in Colorado (collectively, the “Series 2021S Participating K-12 Institutions”): (1) Fowler School District R-4J (“Fowler R-4J”); (2) Huerfano School District RE-1 (“Huerfano RE-1”); (3) Weld County School District RE-5J (“Johnstown Milliken”); (4) Julesburg RE-1 School District (“Julesburg PK-12”); (5) Rocky Ford School District No. R-2 (“Rocky Ford R-2”); and, (6) Thompson School District R2-J (“Thompson R2-J”). See “PLAN OF FINANCING—The Series 2021S Projects and Series 2021S Participating K-12 Institutions.”

Series 2021S Projects

The Series 2021S Projects involve various capital projects for the Series 2021S Participating K-12 Institutions approved in the 2021 State Approval, at certain funding levels. In accordance with the terms of the 2021S Subleases between the State and the Series 2021S Participating K-12 Institutions, each of the Series 2021S Participating K-12 Institutions agrees to construct the respective projects, and in accordance with the 2021S Lease, the State has agreed to cause the projects of the Series 2021S Participating K-12 Institutions that will execute and deliver 2021S Subleases to be constructed by causing such Series 2021S Participating K-12 Institution to comply with its related 2021S Sublease, but no failure of the related Series 2021S Participating K-12 Institution to comply with the relevant provisions of its 2021S Sublease will relieve the State of its obligation to cause the facilities to be constructed. See “PLAN OF FINANCING—The Series 2021S Projects and Series 2021S Participating K-12 Institutions” for further information about the Series 2021S Projects. Projects other than the Series 2021S Projects have been funded with the proceeds of the Prior Certificates and other projects may be funded with proceeds of additional Series of Certificates executed and delivered under the Master Indenture relating to a separate Lease or an amendment to the 2021S Lease or a Prior Lease. However, such additional Series of Certificates will require further authorization by the Colorado General Assembly if the aggregate Base Rent payable under the 2021S Lease, the Prior Leases and the additional Lease or an amendment to the 2021S Lease or a Prior Lease relating to such additional Series of Certificates would exceed the maximum aggregate annual lease payment permitted by the Act. It is possible that after the 2021S Certificates are executed and delivered, the currently imposed annual lease payment limits would allow funding of a few future projects through the execution and delivery of additional Series of Certificates without further authorization by the Colorado General Assembly. See “Terms of the Series 2021S Certificates—Additional Series of Certificates” under “SECURITY AND SOURCES OF PAYMENT” and “PLAN OF FINANCING—The Program.”

Terms of the Series 2021S Certificates

General Provisions. The Series 2021S Certificates will be dated as of the Closing Date and will mature on the dates and in the principal amounts set forth on the inside front cover of this Official Statement, subject to optional, mandatory and extraordinary redemption prior to their stated maturity dates as described in “THE SERIES 2021S CERTIFICATES—Redemption Prior to Maturity.”

The Series 2021S Certificates will bear interest, at the rates per annum (calculated on the basis of a 360 day year of twelve 30 day months) set forth on the inside front cover of this Official Statement, from the Closing Date to their maturity or prior redemption dates and will be payable semiannually on each March 15 and September 15, commencing March 15, 2022.

Book-Entry Only Registration. The Series 2021S Certificates will be delivered in fully registered form and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will serve as securities depository for the Series 2021S Certificates. Ownership interests in the Series 2021S Certificates (“Beneficial Ownership Interests”), in non-certificated book-entry only form, may be purchased in denominations of \$5,000 and integral multiples thereof by or through participants in the DTC system (“DTC Participants”). Beneficial Ownership Interests will be recorded in the name of the purchasers thereof (“Beneficial Owners”) on the books of the DTC Participants from whom they are acquired, and will be governed as to payment, prior redemption, transfers, the receipt of notices and other communications with respect to the Series 2021S Certificates and various other matters by the rules and operating procedures applicable to the DTC book entry system as described in “THE SERIES 2021S CERTIFICATES—DTC Book-Entry System” and “APPENDIX K—DTC BOOK-ENTRY SYSTEM.” References herein to the registered owners of the Series 2021S Certificates (the “Owners”) mean Cede & Co. or such other nominee as may be designated by DTC, and not the Beneficial Owners.

Principal and interest payments with respect to the Series 2021S Certificates will be made by the Trustee, as paying agent for the Series 2021S Certificates, to Cede & Co., as the Owner of the Series 2021S Certificates, for subsequent credit to the accounts of the Beneficial Owners as discussed in “APPENDIX K—DTC BOOK-ENTRY SYSTEM.”

For a more complete description of the general provisions of the Series 2021S Certificates, see “THE SERIES 2021S CERTIFICATES” and the forms of the Master Indenture and the 2021S Supplemental Indenture appended to this Official Statement.

Security and Sources of Payment

The Series 2021S Certificates are secured on a parity basis with all other Series of Certificates executed and delivered pursuant to the Indenture, all of which evidence undivided interests in the right to receive the Lease Revenues and are payable solely from the Trust Estate under the Indenture without preference, priority or distinction of any Certificate over any other Certificate. The Certificates, including the Series 2021S Certificates, are payable solely from annually appropriated Base Rent (generally an amount equal to the principal of and interest due on the outstanding Certificates) received by the Trustee pursuant to the Leases, other Lease Revenues received by the Trustee pursuant to the Leases and other moneys in the Trust Estate in accordance with the terms of the Indenture. See generally “SECURITY AND SOURCES OF PAYMENT.” The Leases provide that the obligation of the State to pay Base Rent and Additional Rent during the Lease Term is, subject only to the other terms of the Leases, absolute and unconditional and is not to be abated or offset for any reason related to the Leased Property; 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 Leased Property, the State is to pay all Rent when due during the Lease Term. The State is not to withhold any Rent payable during the Lease Term pending final resolution of such dispute and may not assert any right of set-off or counter-claim against its obligation to pay Rent; provided, however, that the payment of any Rent will not constitute a waiver by the State of any rights, claims or defenses which the State may assert. No action or inaction on the part of the Trustee will affect the State’s obligation to pay Rent during the Lease Term.

An Event of Nonappropriation under the Leases will be deemed to have occurred, subject to the State’s right to cure described below, on June 30 of any Fiscal Year if the General Assembly has 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 ensuing Fiscal Year; provided, however, that an Event of Nonappropriation will not be deemed to occur if, on or before August 15 of the ensuing Fiscal Year, (i) the General Assembly has appropriated 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 or authorization.

Upon the occurrence of an Event of Nonappropriation, the Trustee may exercise any of the remedies described in the Leases, including the sale or lease of the Trustee's interest in the Leased Property, subject to the purchase option of the Participating K-12 Institutions (and, in the case of charter schools, the chartering entity) under the respective Subleases. Each such Participating K-12 Institution (and, in the case of charter schools, the chartering entity) has the right under its respective Sublease to purchase all of the Leased Property subject to such Sublease following the occurrence of an Event of Default or Event of Nonappropriation under the related Lease by paying an amount equal to the principal amount of the Attributable Certificates (as defined in Section 9.01 of the form of the 2021S Subleases appended to this Official Statement) through the closing date for the purchase of such Leased Property, and paying all Additional Rent payable through the date of conveyance of such Leased Property. The net proceeds from the exercise of such remedies are to be applied toward the payment of the Certificates under the Master Indenture, including the Series 2021S Certificates as described in the form of Master Indenture appended to this Official Statement. There can be no assurance that the Participating K-12 Institutions will exercise their right to purchase the Leased Property or that such proceeds will be sufficient to pay all of the principal due on the Series 2021S Certificates.

The State has the option to terminate a Lease and release the related Leased Property from the Indenture in connection with the defeasance of the related Certificates by paying the State's Purchase Option Price applicable to such Lease, and may also substitute other property for any portion of the Leased Property, as described in "SECURITY AND SOURCES OF PAYMENT—The Leased Property—*State's Purchase Option—Substitution of Leased Property.*"

Payment of Rent and all other payments by the State constitute currently appropriated expenditures of the State and may be paid solely from legally available moneys in the Assistance Fund, including any moneys appropriated or transferred by the General Assembly to the Assistance Fund from any legally available sources, including the State General Fund, if the amount of money in the Assistance Fund that is available to pay Rent will be insufficient to cover the full amount of Rent. All obligations of the State under the Leases are subject to the action of the 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 Leases are subject to appropriation by the General Assembly in its sole discretion, are not to 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 do 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 a Lease, the sole security available to the Trustee, as lessor under the Lease, is the Leased Property leased under such Lease, subject to the terms of the Lease.

Additional Certificates

The Master Indenture permits the execution and delivery of Series of Certificates in addition to the Series 2021S Certificates and the Prior Certificates, and which will be secured by the Trust Estate on parity with the Series 2021S Certificates and the Prior Certificates, without notice to or approval of the Owners of the Outstanding Series 2021S Certificates or Prior Certificates, as directed by the State and upon satisfaction of certain conditions, all as provided in the Master Indenture. For a description of these conditions, see "SECURITY AND SOURCES OF PAYMENT—Additional Series of Certificates." If any additional Certificates are executed and delivered, either an additional Lease must be entered into by the State, or one or more existing Leases must be amended, as applicable, to include as Leased Property any

additional property that may be leased by the State in connection with the execution and delivery of such additional Certificates. It is anticipated that after the 2021S Certificates are executed and delivered, the currently imposed annual lease payment limits would allow funding of future Projects through the execution and delivery of additional Series of Certificates. See also “PLAN OF FINANCING—The Program.”

Certain Risks to Owners of the Series 2021S Certificates

Certain factors described in this Official Statement could affect the payment of Base Rent under the Leases, the value of the Leased Property and the market price of the Series 2021S 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.”

Legal Matters

Sherman & Howard L.L.C., Denver, Colorado, is serving as bond counsel (“Bond Counsel”) in connection with the execution and delivery of the Series 2021S Certificates and will deliver its opinion substantially in the form included in this Official Statement as “APPENDIX D—FORM OF OPINION OF BOND COUNSEL.” Certain legal matters will be passed upon for the State by the Attorney General of the State and by Tate Law, P.C., Denver, Colorado, as Special Counsel to the State in connection with the preparation of this Official Statement. Stradling Yocca Carlson & Rauth, Denver, Colorado, has acted as counsel to the Underwriters in connection with the execution and delivery of the Series 2021S Certificates.

Tax Matters

In the opinion of Sherman & Howard L.L.C., Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, the portion of Base Rent paid by the State which is designated and paid as interest on the Series 2021S Certificates is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing Colorado statutes, the interest received by the Owners of the Series 2021S Certificates with respect to their undivided interests in the Base Rent that is designated and paid as interest under the Leases is exempt from State of Colorado income tax. Bond Counsel expresses no opinion regarding other tax consequences related to the ownership or disposition of Series 2021S Certificates. See “TAX MATTERS” herein.

Availability of Continuing Information

Upon delivery of the Series 2021S Certificates, the State will execute a Continuing Disclosure Undertaking in which it will agree, for the benefit of the owners of the Series 2021S 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 in May 2021 by Development Research Partners for use by the State. See “APPENDIX I—“CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION.” **It is important to note that the information in APPENDIX I, such as employment figures, has changed materially since the date of such information. See “CERTAIN RISK FACTORS—Potential Impact of COVID-19 (Coronavirus).”**

Development Research Partners has consented to the inclusion of such information in this Official Statement. Neither the State nor the Underwriters intends to assume responsibility for the accuracy, completeness or fairness of such information. The information in such APPENDIX has been included in this Official Statement in reliance upon the authority of Development Research Partners as experts in the preparation of economic and demographic analyses. Potential investors should read APPENDIX I 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 (including the Act) may be obtained during the offering period, upon request to the Underwriters at RBC Capital Markets, LLC, as Representative of the Underwriters, 1801 California Street, Suite 3850, Denver, Colorado 80202, Attention: Dan O'Connell, telephone number: (303) 595-1222.

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 or the Series 2021S Participating K-12 Institutions and the purchasers or holders of any of the Series 2021S Certificates.

PLAN OF FINANCING

The Program

The Series 2021S Certificates are being delivered under authority granted by the Act and pursuant to the Indenture. The Act creates the Assistance Fund and authorizes the State Treasurer to enter into Leases for Projects approved by the State, provided that the maximum total amount of annual lease payments payable by the State during any Fiscal Year under the Leases is less than the maximum total amount of annual lease payments set forth in the Act for the applicable Fiscal Year (the "Maximum Annual Lease Payments"), currently \$125 million for Fiscal Years 2021-22 and thereafter. If the maximum total amount of annual lease payments of principal or interest payable by the State during any Fiscal Year under the Leases is greater than one-half of the Maximum Annual Lease Payments for the applicable Fiscal Year, the aggregate amount of Matching Moneys expected to be credited to the Assistance Fund pursuant to the Act and any interest or income derived from the deposit and investment of the Matching Moneys must be at least equal to the annual amount of lease payments of principal and interest payable by the State during any Fiscal Year under the Leases that exceeds one-half of the Maximum Annual Lease Payments applicable to such Fiscal Year. See "APPENDIX G—PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND—Matching Moneys." For example, if the total amount of annual lease payments payable by the State in Fiscal Year 2021-22 was \$75 million, the State would need to expect at the time that it enters into a Lease that at least \$12.5 million ($\$75 \text{ million} - (\$125 \text{ million} / 2) = \12.5 million) in aggregate Matching Moneys would be credited to the Assistance Fund in Fiscal Year 2021-22.

For purposes of complying with the limitations on Maximum Annual Lease Payments, the "Colorado Recovery and Reinvestment Finance Act of 2009," codified as Section 11-59.7-105(4), C.R.S. (the "CRRFA"), permits the Base Rent due under the Leases to be netted against, and reduced by, certain federal moneys to be received for the purpose of making such payments ("Federal Direct Payments").

Federal Direct Payments are expected to be received by the Trustee on behalf of the State pursuant to the Indenture in connection with the Series 2010D Certificates as a result of their designation as “Qualified School Construction Bonds” for purposes of the Internal Revenue Code of 1986, as amended (the “Tax Code”). See also “SECURITY AND SOURCES OF PAYMENT—Federal Direct Payments.”

The annual lease payments due under the Leases and payable by the State in any Fiscal Year during the term of such Leases, net of the aggregate amount of Matching Moneys expected to be credited to the Assistance Fund pursuant to the Act and any interest or income derived from the deposit and investment of the Matching Moneys and net of the Federal Direct Payments expected to be received by the Trustee on behalf of the State pursuant to the Indenture, are expected to be less than one-half of the Maximum Annual Lease Payments for Fiscal Year 2021-22 and thereafter. For this purpose, the impact of sequestration on Federal Direct Payments in Fiscal Year 2021-22 has been taken into account by reducing the amount of Federal Direct Payments expected to be credited to the Assistance Fund by the applicable sequestration reduction percentage. See “BASE RENT AND SERIES 2021S CERTIFICATES PAYMENT SCHEDULE” and “SECURITY AND SOURCES OF PAYMENT—Federal Direct Payments.”

The General Assembly has established the Program in order to implement the Act. See “INTRODUCTION—The Program.” Each Series of Certificates evidences undivided interests in the right to receive certain payments by the State under the Leases. The following table sets forth the aggregate principal amount of Certificates to be outstanding after the execution and delivery of the Series 2021S Certificates.

**Certificates to be Outstanding upon the
Execution and Delivery of the Series 2021S Certificates**

<u>Series</u>	<u>Principal Amount Outstanding</u>
Prior Certificates	
Series 2009A Certificates ¹	\$ 87,145,000
Series 2010D Certificates ¹	95,690,000
Series 2012H Certificates	17,060,000
Series 2013I Certificates	13,900,000
Series 2017J Certificates	156,305,000
Series 2017K Certificates	78,880,000
Series 2018L Certificates	67,875,000
Series 2018M Certificates	82,665,000
Series 2018N Certificates	231,365,000
Series 2019O Certificates	158,075,000
Series 2019P Certificates	154,835,000
Series 2019Q Certificates	74,200,000
Series 2020R Certificates	94,565,000
Series 2021S Certificates	150,415,000
Total Certificates	<u><u>\$1,462,975,000</u></u>

The Master Indenture permits the execution of additional Leases, and the execution and delivery of additional Series of Certificates under the Master Indenture on a parity basis, in order to fund additional Projects under the Program. See “INTRODUCTION—Authorization—*The Program*” and “SECURITY

¹ The Series 2009A Certificates and Series 2010D Certificates are not subject to redemption prior to their respective maturity dates. However, the Trustee is required under the Master Indenture to deposit into the respective Sinking Fund Accounts established within the Certificate Fund for the Series 2009A Certificates and the Series 2010D Certificates that portion of each payment of Base Rent by the State which is designated and paid as the related Sinking Fund Principal under the related Lease, which amounts are to be applied to the payment of the principal amount of the related Certificates at maturity. As of November 1, 2021, amounts of \$69,728,211.35 and \$56,39,844.39 have been deposited in the Sinking Fund Accounts for the Series 2009A Certificates and 2010D Certificates, respectively.

AND SOURCES OF PAYMENT—Additional Series of Certificates.” The State could also choose to fund future projects under the Program with the proceeds of certificates of participation that are not executed and delivered pursuant to the Master Indenture, in which case the related leased property would not secure the Certificates. The execution by the State of future Leases or an amendment to a Lease for additional Projects would require authorization by the State and additional authorization from the General Assembly to the extent that Rent under the existing Leases and such additional Leases would exceed the annual lease payment limit described above. It is possible that after the Series 2021S Certificates are executed and delivered, the currently imposed annual lease payment limits would permit the funding of a few future Projects through the execution and delivery of additional Series of Certificates.

Sources and Uses of Funds

The sources and uses of funds relating to the Series 2021S Certificates are set forth below:

Sources of Funds:

Par amount of the Series 2021S Certificates.....	\$150,415,000.00
Original issue premium.....	28,119,630.40
Matching Money Cash Contribution	<u>36,551,838.99</u>
	\$215,086,469.39

Uses of Funds:

Deposit to the Series 2021S Project Account of Capital Construction Fund.....	213,912,837.16
Costs of issuance, including Underwriters' discount ¹	<u>1,173,632.23</u>
Total	<u>\$215,086,469.39</u>

¹ This amount (other than the Underwriters' discount) will be deposited to the Costs of Issuance Account of the Capital Construction Fund and used to pay costs of issuance, including legal fees, rating agencies fees, printing costs and municipal advisors' fees. For information concerning the Underwriters' discount, see "UNDERWRITING."

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The Series 2021S Projects and Series 2021S Participating K-12 Institutions

The following table describes the Series 2021S Participating K-12 Institutions and Series 2021S Projects expected to be funded with proceeds of the Series 2021S Certificates, moneys in the Assistance Fund in an amount equal to Matching Moneys to be deposited therein when received from such Series 2021S Participating K-12 Institution and total cost of the related Series 2021S Project.

Series 2021S Projects and Series 2021S Participating K-12 Institutions

Series 2021S Participating K-12 Institution	Series 2021S Project Description	Matching Moneys¹	Total Project Cost
Fowler R-4J	Middle and High School Addition and Elementary School Renovation 110,900 SF w/ 20 classrooms	\$4,902,583.62	\$36,861,531.00
Huerfano RE-1	New High School 55,998 SF w/ 21 classrooms	9,361,581.50	30,198,650.00
Johnstown-Milliken RE-5J	High School Conversion to Middle School 117,430 SF w//37 classrooms	20,670,141.44	39,750,272.00
Julesburg RE-1	New PK-12 School 75,500 SF w/ 27 classrooms	8,177,379.00	41,648,343.00
Rocky Ford R-2	PK-8 Addition and High School Renovation 94,608 SF w/ 38 classrooms	7,628,804.00	47,495,858.16
Thompson R2-J	Middle School Renovation and K-5 Addition to create K-8 108,090 SF w/ 30 classrooms	12,750,309.93	17,958,183.00
Total		\$63,490,799.49	\$213,912,837.16

¹ The respective amounts shown on this chart as Matching Moneys are required to be funded as described in APPENDIX G hereto by the related Series 2021S Participating K-12 Institution. See the form of 2021S Sublease “—Costs of Sublessee’s Project” in APPENDIX B attached hereto. **Matching Moneys and other amounts deposited in the Assistance Fund do not directly secure payment of the Series 2021S Certificates. Once Matching Moneys are deposited in the Assistance Fund, such amounts, together with other amounts on deposit in the Assistance Fund, are available to be appropriated by the Colorado General Assembly to pay principal and interest on the Series 2021S Certificates or for other purposes permitted by the Act, including, without limitation, defraying the cost of Projects or projects that are not financed with Certificates. See APPENDIX G for a description of the Assistance Fund.**

Under the 2021S Subleases, the Series 2021S Participating K-12 Institutions will agree to construct and use the respective Series 2021S Projects in a manner which satisfies the restrictions of the Tax Code and the Act. In accordance with the terms of the 2021S Subleases between the State and the Series 2021S Participating K-12 Institutions, each of the Series 2021S Participating K-12 Institutions agrees to construct the respective facilities. In accordance with the 2021S Lease, the State has agreed to cause such Projects to be constructed by causing a Series 2021S Participating K-12 Institution to comply with its related 2021S Sublease, but no failure of the related Series 2021S Participating K-12 Institution to comply with the relevant provisions of its 2021S Sublease will relieve the State of its obligation to cause the facilities to be constructed. See “SECURITY AND SOURCES OF PAYMENT—The Leased Property—The 2021S

Subleases and Matching Moneys” and “CERTAIN RISK FACTORS—Actions under the 201S Subleases.”

THE SERIES 2021S CERTIFICATES

The following is a summary of certain provisions of the Series 2021S Certificates during such time as the Series 2021S Certificates are subject to the DTC book-entry system. Reference is hereby made to the Master Indenture and the 2021S Supplemental Indenture, the forms of which are appended to this Official Statement, for the detailed provisions pertaining to the Series 2021S Certificates, including provisions applicable in the event of the discontinuance of participation in the DTC book-entry system.

Generally

The Series 2021S Certificates are being executed and delivered under authority granted by the laws of the State, including specifically the Act, and pursuant to the Indenture.

The 2021S Certificates will be dated the Closing Date, will mature on the dates and in the principal amounts set forth on the inside front cover of this Official Statement and will be subject to optional, mandatory and extraordinary redemption prior to maturity as described in “Redemption Prior to Maturity” in this section.

Interest on the Series 2021S Certificates, at the rates per annum (calculated on the basis of a 360 day year of twelve 30 day months) set forth on the inside front cover of this Official Statement, will accrue from the Closing Date through the maturity or prior redemption dates of the Series 2021S Certificates and will be payable semiannually on each March 15 and September 15, commencing March 15, 2022.

DTC Book-Entry System

The Series 2021S 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 2021S Certificates. Beneficial Ownership Interests in the Series 2021S 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 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 K—DTC BOOK-ENTRY SYSTEM.”

Principal and interest payments with respect to the Series 2021S Certificates will be payable by the Trustee, as paying agent for the Series 2021S Certificates, to Cede & Co., as the Owner of the Series 2021S Certificates, for subsequent credit to the accounts of the Beneficial Owners as discussed in “APPENDIX K—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 2021S 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 2021S

Certificates, (4) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2021S Certificates or (5) any other related matter.

Redemption Prior to Maturity

Extraordinary Redemption upon the Occurrence of an Event of Nonappropriation or an Event of Default. The Series 2021S Certificates and all other outstanding Certificates are subject to redemption in whole, on such date 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 any Leases, at a redemption price equal to the lesser of: (i) the principal amount of the Series 2021S Certificates and all other outstanding 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 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 2021S Certificates and all other outstanding 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 are to be allocated among the Series 2021S 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, provided that available moneys in any Sinking Fund Account for each Series of Qualified School Construction Certificates are to be allocated only among Certificates with the same Series designation as such Sinking Fund Account. **The payment of such redemption price of any Certificate pursuant to the related supplemental indenture will be deemed to be the payment in full of such Certificate, and no Owner of any Certificate redeemed pursuant to this redemption provision will 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, immediately upon the occurrence of an Event of Nonappropriation or an Event of Default under any Lease, the Trustee is to notify the Owners of the 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 is to be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the redemption price of the Certificates, the Trustee is to (a) immediately 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, immediately begin to exercise and diligently pursue all remedies available to it under the Leases in connection with such Event of Nonappropriation or an 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.

Optional Redemption of the Series 2021S Certificates. The Series 2021S 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 March 15, 2031, at a redemption price equal to the principal amount of the Series 2021S Certificates to be redeemed (with no premium), plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2021S Certificates maturing on March 15, 2046 are subject to mandatory sinking fund redemption on March 15 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. The Series 2021S Certificates maturing on March 15, 2046 shall be selected for redemption on each mandatory sinking fund redemption date by lot from all remaining Series 2021S Certificates maturing on such date, rounded to the nearest Authorized Denomination.

Mandatory Sinking Fund Redemption Date	Principal Amount
<u>(March 15)</u>	
2042	\$ 5,925,000
2043	4,460,000
2044	4,640,000
2045	5,430,000
2046*	59,580,000

* Maturity date

At its option, to be exercised on or before the forty-fifth day next preceding each mandatory sinking fund redemption date, the State may (i) deliver to the Trustee for cancellation any Series 2021S Certificates with the same maturity date as the Series 2021S 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 2021S Certificates with the same maturity date as the Series 2021S 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 2021S 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 2021S 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 Certificates or portions thereof to be redeemed and specifying the terms of such redemption, is to 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, will not affect the validity of any proceedings of any Certificates as to which no such failure has occurred. Any notice mailed as provided in the Indenture will 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 has 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 will be of no effect unless such moneys 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 2021S Certificates called for redemption. The Trustee is required to pay to the Owners of Series 2021S Certificates so redeemed (initially Cede & Co.) the amounts due on the Series 2021S Certificates at the Operation Center of the Trustee upon presentation and surrender of the Series 2021S Certificates.

BASE RENT AND SERIES 2021S CERTIFICATES PAYMENT SCHEDULE

The following table sets forth the State's Base Rent obligations in connection with the 2021S Lease (which also constitutes the payment schedule for the Series 2021S Certificates), as well as the State's aggregate Base Rent obligations in connection with the other Leases to be outstanding following the execution and delivery of the Series 2021S Certificates, assuming that all Leases are renewed by the State for the full Lease Term and that there is no prior redemption or defeasance of Certificates other than mandatory sinking fund redemptions.

Base Rent Obligations (Totals may not add due to rounding)

Fiscal Year (June 30)	Base Rent Series 2021S Certificates		Prior Certificates Total Base Rent	Less Anticipated Federal Direct Payments ²	Total Net Base Rent for All Certificates
	Principal Component ¹	Interest Component ¹			
2022	\$ 6,115,000	\$ 1,700,813	\$ 93,364,801	\$ (4,872,726)	\$ 96,307,888
2023	1,505,000	6,072,300	93,328,404	(4,872,726)	96,032,978
2024	1,250,000	5,997,050	93,311,958	(4,872,726)	95,686,282
2025	1,375,000	5,934,550	93,297,772	(4,872,726)	95,734,596
2026	1,445,000	5,865,800	93,285,675	(4,872,726)	95,723,749
2027	1,530,000	5,793,550	93,260,165	(4,872,726)	95,710,989
2028	1,605,000	5,717,050	93,250,297	(4,872,726)	95,699,621
2029	1,690,000	5,636,800	88,362,317	--	95,689,117
2030	1,780,000	5,552,300	88,346,200	--	95,678,500
2031	2,150,000	5,463,300	85,459,570	--	93,072,870
2032	2,710,000	5,355,800	80,911,270	--	88,977,070
2033	3,695,000	5,220,300	78,636,741	--	87,552,041
2034	4,375,000	5,035,550	74,288,255	--	83,698,805
2035	4,920,000	4,816,800	72,019,295	--	81,756,095
2036	5,160,000	4,570,800	72,013,849	--	81,744,649
2037	5,370,000	4,364,400	72,000,988	--	81,735,388
2038	5,585,000	4,149,600	71,992,688	--	81,727,288
2039	5,805,000	3,926,200	67,940,475	--	77,671,675
2040	6,035,000	3,694,000	61,039,850	--	70,768,850
2041	6,280,000	3,452,600	56,504,663	--	66,237,263
2042	5,925,000	3,201,400	54,537,013	--	63,663,413
2043	4,460,000	2,964,400	54,537,400	--	61,961,800
2044	4,640,000	2,786,000	54,537,200	--	61,963,200
2045	5,430,000	2,600,400	53,934,400	--	61,964,800
2046	59,580,000	2,383,200	--	--	61,963,200
	<u>\$150,415,000</u>	<u>\$112,254,963</u>	<u>\$1,840,161,243</u>	<u>\$(34,109,083)</u>	<u>\$2,068,722,123</u>

¹ There will be credited against the amount of Base Rent otherwise payable under the related Lease the amount on deposit in the Certificate Fund that is not restricted by the Indenture to the payment of the redemption price of Certificates or the costs of defeasing Certificates.

² Represents amount of expected Federal Direct Payments on the Series 2010D Certificates. Although the ongoing existence or level of Federal Direct Payments reductions is not possible to forecast. The amounts shown in the table above assume a sequestration rate of 5.7% for all payments. See "SECURITY AND SOURCES OF PAYMENT—Payments by the State—Federal Direct Payments" and "CERTAIN RISK FACTORS—Federal Direct Payments" for a discussion of Federal Direct Payments and the potential effect of sequestration. The State has covenanted in the 2010D-F Lease to request the Federal Direct Payments from the United States Treasury, and the Trustee in such Lease has agreed to assist the State in doing so.

Source: Municipal Advisor.

SECURITY AND SOURCES OF PAYMENT

Payments by the State

The Series 2021S Certificates evidence undivided interests in the right to receive Lease Revenues pursuant to the Leases on a parity basis with all other Certificates outstanding from time to time. The Certificates are payable solely from the Trust Estate without preference, priority or distinction of any Certificate over any other Certificate. The Lease Revenues include: (i) the Base Rent; (ii) Federal Direct Payments; (iii) the State's Purchase Option Price (as defined in "The Leased Property—*State's Purchase Option*" hereafter in this section), if paid (including any Net Proceeds applied to the payment of the State's Purchase Option Price pursuant to a Lease); (iv) 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 (v) any other moneys to which the Trustee may be entitled for the benefit of the Owners. All payment obligations of the State under each Lease, including, but not limited to, payment of Base Rent, are from year to year only and do not constitute a mandatory charge 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 Leases 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 may be had on account of any such covenant, stipulation, promise, agreement or obligation, or for any claim based thereon or under the Leases, against any member, director, officer, employee, servant or other agent of the State or the Trustee or any natural person executing Leases 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.

As more fully described under the caption "CERTAIN RISK FACTORS" and in the form of the 2021S Lease appended to this Official Statement, following an Event of Nonappropriation, the Lease Term of a Lease will terminate on June 30 of any Fiscal Year in which the Event of Nonappropriation occurs.

Under the Act, Base Rent and Additional Rent must be paid from the amounts on deposit in the Assistance Fund, which is established by the Act and provides for the deposit thereto of certain revenues as described in "APPENDIX G—PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND." The Act also permits the General Assembly to appropriate or transfer moneys to the Assistance Fund from any legally available source, including the State General Fund, if the amounts in the Assistance Fund are insufficient to cover the full amount of Rent required by the Leases. Any such amounts in the Assistance Fund may be used only to pay Base Rent and Additional Rent if specifically appropriated by the General Assembly for that purpose. The State is not obligated to appropriate such revenues to the Assistance Fund, or to appropriate any other State moneys to be transferred to the Assistance Fund, for purposes of paying Base Rent or Additional Rent under the Leases. In addition, amounts on deposit in the Assistance Fund are not restricted to the payment of the Certificates and may be used for any purpose permitted by the Act, including, without limitation, defraying the cost of Projects. See "STATE FINANCIAL INFORMATION," "APPENDIX E—THE STATE GENERAL FUND" and "APPENDIX G—PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND."

PAYMENT OF RENT AND ALL OTHER PAYMENTS BY THE STATE CONSTITUTE CURRENTLY APPROPRIATED EXPENDITURES OF THE STATE AND MAY BE PAID SOLELY FROM LEGALLY AVAILABLE MONEYS IN THE ASSISTANCE FUND, INCLUDING ANY MONEYS APPROPRIATED OR TRANSFERRED BY THE GENERAL ASSEMBLY TO THE ASSISTANCE FUND FROM ANY LEGALLY AVAILABLE SOURCE, INCLUDING THE STATE

GENERAL FUND, IF THE AMOUNT OF MONEY IN THE ASSISTANCE FUND THAT IS AVAILABLE TO PAY RENT WILL BE INSUFFICIENT TO COVER THE FULL AMOUNT OF RENT. ALL OBLIGATIONS OF THE STATE UNDER THE LEASES ARE SUBJECT TO THE ACTION OF THE 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 LEASES 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 ANY LEASE, THE SOLE SECURITY AVAILABLE TO THE TRUSTEE, AS LESSOR UNDER THE LEASES, IS THE LEASED PROPERTY LEASED UNDER THE LEASES, SUBJECT TO THE TERMS OF THE LEASES. THE STATE'S OBLIGATIONS UNDER THE LEASES ARE SUBJECT TO THE STATE'S ANNUAL RIGHT TO TERMINATE THE LEASES UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION. SEE "CERTAIN RISK FACTORS."

Lease Term

The Lease Term of each Lease is comprised of the Initial Term commencing on the date the Lease 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 Lease Term of any Lease expires 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 Lease; (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 Leased Property by the State pursuant to the Lease; or (d) termination of the Lease following an Event of Default in accordance with the Lease. Notwithstanding the preceding sentence, an Event of Nonappropriation will not be deemed to occur if, on or before August 15 of the ensuing Fiscal Year, (i) the 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.

Upon termination of the Lease Term, all unaccrued obligations of the State under the Lease will terminate, but all obligations of the State that have accrued thereunder prior to such termination will 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 Leased Property thereunder will terminate and (i) the State is required to vacate the Leased Property within 90 days; and (ii) if and to the extent the General Assembly has appropriated funds for payment of Rent payable during, or with respect to the State's use of the Leased Property during, the period between termination of the Lease Term and the date the Leased Property is vacated pursuant to clause (i), the State is obligated to pay Base Rent to the Trustee and Additional Rent to the Persons entitled thereto. If the termination occurs because of the occurrence of an Event of Nonappropriation or an Event of Default, the Trustee is entitled to exercise certain remedies with respect to the Leased Property as further described in the forms of the 2021S Lease, 2021S Site Leases, the 2021S Subleases, the Master Indenture and the 2021S Supplemental Indenture appended to this Official Statement.

Nonrenewal of the Lease Term

The State is not permitted to renew the Leases or any of them (including the 2021S Lease) with respect to less than all of the Leased Property. Accordingly, a decision to not renew a Lease would mean the loss of the use by the State of all of the Leased Property (including the 2021S Leased Property). Upon a nonrenewal of the Lease 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 Leased Property as described in “The Leased Property—*State’s Purchase Option*” below, or any Participating K-12 Institution has not exercised the purchase option of its portion of the related Leased Property as described in “The Leased Property—*Sublessee’s Purchase Option*” in this section, the State and such related Participating K-12 Institutions (and, in the case of charter schools, the chartering entities) not exercising the purchase option are required to vacate the Leased Property within 90 days. The Trustee may proceed to exercise any remedies available to the Trustee for the benefit of the Owners of the Certificates and may exercise any other remedies available upon default as provided in the Leases, including the sale of or lease of the Trustee’s interest under the Site Leases. See “CERTAIN RISK FACTORS” and the forms of the 2021S Site Lease, the 2021S Lease, the 2021S Sublease, the Master Indenture and the 2021S Supplemental Indenture appended to this Official Statement.

The Leases 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, the Leases provide 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 Leased Property as required by the related Lease and only as to certain liabilities as described in the Leases. All property, funds and rights acquired by the Trustee upon the nonrenewal of the Leases, along with other moneys 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 Certificates if and to the extent any such moneys are realized. See “CERTAIN RISK FACTORS” and the forms of the 2021S Site Lease, the 2021S Lease, the 2021S Sublease, the Master Indenture and the 2021S Supplemental Indenture appended to this Official Statement.

The Leased Property

Generally. The Leased Property consists of the property leased by the Trustee to the State pursuant to each of the Leases. As described above, the State is not permitted to renew the Leases or any of them (including the 2021S Lease) with respect to less than all of the Leased Property. Accordingly, a decision to not renew a Lease would mean the loss of the use by the State of all of the Leased Property (including the 2021S Leased Property) unless the purchase option for all of the Leased Property has been exercised by the State. See “*State’s Purchase Option*” below. The State may make substitutions, or may consent to substitutions by the related Participating K-12 Institution, of the related Leased Property in accordance with the terms of the related Leases and Subleases as described in “Substitution of Leased Property” in this section. **Owners of the Series 2021S Certificates should not assume that it will be possible to foreclose upon or otherwise dispose of any Leased Property, or any portion thereof, for an amount equal to the respective principal amounts of the Certificates (including the Prior Certificates) plus accrued interest thereon.** See “CERTAIN RISK FACTORS—Effect of Nonrenewal of a Lease” for a description of some of the factors that may impact the value of Leased Property.

In some cases, the Leased Property for a Participating K-12 Institution is comprised of leasehold interests in land and the school facilities for such Participating K-12 Institutions to be built thereon consistent with construction guidelines adopted by the Assistance Board. Under such circumstances, such Participating K-12 Institutions have covenanted to complete construction of their respective facilities within three years of the date of the related Sublease. See “APPENDIX H—LEASED PROPERTY RELATING

TO THE PRIOR CERTIFICATES” for a description of Projects constituting Leased Property, including Projects that have been cleared for occupancy and are currently in operation. In other cases, the Leased Property for a Participating K-12 Institution is comprised of existing facilities that were not financed with the Certificates.

Prior to the issuance of the Series 2021S Certificates, the State is required to certify and is expected to certify to the Trustee that the Fair Market Value of the 2021S Leased Property is at least equal to 90% of the principal amount of the Series 2021S Certificates. See “SECURITY AND SOURCES OF PAYMENT—Additional Series of Certificates.” The following table describes the 2021S Leased Property subject to 2021S Site Leases between the Trustee and the respective 2021S Participating K-12 Institutions as indicated on the table:

<u>2021S Leased Property</u>			
<u>Participating K-12 Institutions</u>	<u>Description of Leased Property</u> ¹	<u>Land</u>	<u>Fair Market Value</u> ^{2,3}
Fowler R-4J	Elementary School, Middle School and High School addition and land	9.439 acres	\$39,317,768.59
Huerfano RE-1	New High School and Land	9.581 acres	30,824,419.05
Johnstown-Milliken RE-5J	New Addition and existing High School Athletic Wing and Land	1.007 acres	10,713,783.38
Julesburg RE-1	New PK-12 School and Land	17.79 acres	40,659,343.00
Rocky Ford R-2	PK-8 Addition, High School, Auxiliary and Warehouse Buildings, Vocational/Agricultural Building, Bus Shelter, Tractor Shed and Land	15.666 acres	58,460,109.16
Thompson R2-1	Laurene Edmondson Elementary School, two modular units and land	10.17 acres	7,140,021.00
Total			\$187,115,444.18

¹ The 2021S Leased Property shown on this list, or any portion thereof, may be released and other property substituted therefor as described in “Substitution of Leased Property” under this caption. In some cases, the 2021S Leased Property is comprised of existing facilities which will not be wholly or partially financed with the proceeds of the Series 2021S Certificates.

² As defined in the Glossary included in the form of 2021S Supplemental Indenture attached as APPENDIX B hereto.

³ These amounts include, entirely or in part (in the case of renovations or additions), the valuation of existing buildings on the Leased Property based on a determination by the Colorado School District Self Insurance Pool, the Participating K-12 Institution’s private carrier and the State and have not been determined or confirmed by any third party evaluation. New construction value is equal to the amount deposited to the related Project Account, Allocated Investment Earnings (as defined in the Glossary included in the form of 2021S Supplemental Indenture attached as APPENDIX B hereto) and amounts that may be withdrawn from the Assistance Fund to fund construction of the related Project.

The 2021S Subleases and Matching Moneys

In connection with the execution and delivery of the Series 2021S Certificates, the State and each of the Series 2021S Participating K-12 Institutions is entering into a 2021S Sublease pursuant to which each of such Series 2021S Participating K-12 Institutions, as Sublessee, will agree, in exchange for use of a portion of the 2021S Leased Property, to pay (subject to their right not to appropriate) all Additional Rent due under the 2021S Lease with respect to such portion of the 2021S Leased Property and the Series 2021S

Certificates. The respective Series 2021S Participating K-12 Institution's obligations to pay such amounts under the 2021S Sublease are subject to annual appropriation by such Series 2021S Participating K-12 Institution. Pursuant to the 2021S Subleases, each of the Series 2021S Participating K-12 Institutions has agreed to maintain the respective 2021S Leased Property and to provide all insurance for such 2021S Leased Property as required by the 2021S Lease.

Certain Series 2021S Participating K-12 Institutions or their chartering entity have agreed to pay Matching Moneys to the State for credit to the Assistance Fund with respect to such Series 2021S Participating K-12 Institution's Project in the form of cash, principal of and interest on Matching Moneys Bonds or installment payments. Neither the cash nor the Matching Moneys Bonds are subject to annual appropriation by the Series 2021S Participating K-12 Institution, but Matching Moneys installment payments are subject to such annual appropriation.

The obligations and rights of a Series 2021S Participating K-12 Institution and the State with respect to the Series 2021S Participating K-12 Institution's Matching Moneys Bonds or installment payments are independent of the obligations of the Series 2021S Participating K-12 Institution, as Sublessee, and the rights of the State under the 2021S Subleases and, except as otherwise specifically provided in the related 2021S Sublease, (a) the obligations of the Series 2021S Participating K-12 Institution or its chartering entity and the rights of the State with respect to the Series 2021S Participating K-12 Institution's obligations under the Matching Moneys Bonds or installment payments will survive the termination of the 2021S Subleases, and (b) no failure to perform or other action of the State with respect to the 2021S Subleases will affect the State's rights to enforce the obligations of the Series 2021S Participating K-12 Institutions or their chartering entity to make payments under their Matching Moneys Bonds or installment payments.

Matching Moneys and other amounts deposited in the Assistance Fund do not directly secure payment of the Series 2021S Certificates. Once Matching Moneys are deposited in the Assistance Fund, such amounts, together with other amounts on deposit therein, are available to be appropriated by the State to pay principal and interest on the Series 2021S Certificates or for other purposes permitted by the Act, including, without limitation, defraying the cost of Projects.

State's Purchase Option. The Leases grant to the State the option to purchase all, but not less than all, of the related Leased Property in connection with the defeasance of all the related Certificates by paying to the Trustee the "State's Purchase Option Price," subject to compliance with all conditions to the defeasance of the related 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 as defined in the related Supplemental Indenture. For purposes of the purchase of all the related Leased Property as described in this paragraph, the "State's Purchase Option Price" is an amount sufficient (i) to defease all the related Certificates in accordance with the defeasance provisions of the Indenture, and (ii) to pay all Additional Rent payable through the date on which the related Leased Property 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 related Leased Property and the payment, redemption or defeasance of the Outstanding related Certificates; provided, however, that (a) the State's Purchase Option Price is to 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 the Master Indenture) that are available for deposit in the defeasance escrow account established pursuant to the Master Indenture for the related Certificates, and (b) if any related 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 related Certificates are to be

substituted for the related Certificates that were paid, redeemed or defeased, which substitution is to be accomplished in any reasonable manner selected by the State in its sole discretion.

In order to exercise its option to purchase the related Leased Property as described in the previous paragraph, the State is required to: (i) give written notice to the Trustee (A) stating that the State intends to purchase the related Leased Property 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.

Sublessee's Purchase Option. Each Sublessee has the option to purchase all, but not less than all, of the portion of the Leased Property subject to its Sublease following the occurrence of an Event of Default or an Event of Nonappropriation under the Leases. See the forms of the 2021S Site Lease, the 2021S Lease, the 2021S Sublease, the Master Indenture and the 2021S Supplemental Indenture appended to this Official Statement. A Sublessee would exercise such option by paying an amount equal to the principal amount of the Attributable Certificates through the closing date for the purchase of such Leased Property and to pay all Additional Rent payable through the date of conveyance of such Leased Property. The net proceeds from the exercise of such remedies are to be applied toward the payment of the Certificates under the Master Indenture, including the Series 2021S Certificates. In the Leases, the Trustee has agreed to notify each Sublessee of the occurrence of an Event of Default or Event of Nonappropriation under any Lease. There can be no assurance that the Sublessee will exercise its right to purchase such Leased Property or that such proceeds will be sufficient to pay all of the principal due on the related Certificates.

Substitution of Leased Property. The Sublessees are permitted by the respective Subleases to substitute other property for the respective Leased Property with the consent of the State and upon delivery of certain items, including a certification that the Fair Market Value of the substituted property is equal to or greater than the Fair Market Value of the Leased Property for which it is being substituted, a title insurance policy, a certificate regarding the useful life and essentiality of the substituted property and an opinion of Bond Counsel to the effect that such substitution is permitted under the related Lease and that such substitution will not cause the State or any sublessee to violate the State's tax covenants set forth in Section 9.04 of the related Lease or the Participating K-12 Institution's tax covenants set forth in Section 10.04 of the Sublease. See such sections in the forms of the 2021S Lease and the 2021S Sublease appended to this Official Statement. Furthermore, the State is permitted under each Lease to substitute other property for certain Leased Property so long as, following the 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 Leased Property for which it is being substituted, or (ii) all of the Leased Property has a Fair Market Value at least equal to 90% of the principal amount of all Outstanding Certificates and the Trustee receives adequate title insurance documentation, a certificate as to the useful life and essentiality of the substituted property and an opinion of Bond Counsel that such substitution will not cause the State to violate its tax covenant set forth in Section 9.04 of the related Lease. The State's certification as to the value may be given based and in reliance upon certifications by the Sublessees and the certifications as to useful life and essentiality may also be provided by the Sublessees.

Insurance. The Leased Property is required to be insured by the related Participating K-12 Institutions as described in "CERTAIN RISK FACTORS—Insurance of the Leased Property," and the insurance proceeds are required to be applied by the Trustee as described in the section of the form of the Leases appended to this Official Statement under the caption "Damage, Destruction and Condemnation." Pursuant to the Subleases, the related Participating K-12 Institutions have undertaken or will undertake to provide such insurance with respect to the respective Leased Property as required by the related Leases. See the forms of the 2021S Subleases appended to this Official Statement.

Federal Direct Payments

The State elected to designate the Series 2010D Certificates as “Qualified School Construction Bonds” under Section 54F of the Tax Code and made an irrevocable election under the Tax Code so that the State would and will receive Federal Direct Payments from the United States Treasury in connection therewith.

Federal Direct Payments, to the extent received from the United States Treasury and deposited with the Trustee on behalf of the State and in accordance with the terms of the CRRFA, are netted against, and reduce, the interest portion of the gross Base Rent due each Fiscal Year from the State under the related Lease. However, the amount of Base Rent included in the annual budget proposal submitted to the General Assembly pursuant to the terms of the Leases is the gross Base Rent not reduced by the Federal Direct Payments. See “CERTAIN RISK FACTORS—Federal Direct Payments.” To the extent any moneys in the Principal Account or Interest Account of the Certificate Fund are not held to pay the redemption price of Certificates for which a notice of redemption has been delivered, such moneys are applied as a reduction of the budgeted Base Rent.

The State, like other governmental entities, is subject to developments at the federal level with respect to the Budget Control Act of 2011 (“sequestration”). The originally scheduled Federal Direct Payments are reduced by 5.7% in federal fiscal year 2021 as a result of sequestration.

Under a federal budget bill enacted in November 2015, the sequestration reduction will continue through federal fiscal year 2030. The sequestration reduction rate remains subject to change should additional laws be enacted which impact the sequester.

Additional Series of Certificates

Generally. So long as the Lease Term remains in effect and no Event of Nonappropriation or an Event of Default has occurred and is continuing, one or more additional Series of Certificates may be executed and delivered as directed by the State, without the consent of Owners of outstanding Certificates, upon the terms and conditions as provided in the Master Indenture. ***Each Certificate executed and delivered pursuant to the Indenture will evidence an undivided interest in the right to receive Lease Revenues and will be payable solely from the Trust Estate without preference, priority or distinction of any Certificate over any other Certificate.***

Additional Series of Certificates may be executed and delivered only upon satisfaction of each of the following conditions:

- (i) The Trustee has received a form of Supplemental Indenture that specifies the following:
 - (a) the Series designation, the aggregate principal amount, the Authorized Denominations, the dated date, the maturity dates, the interest rates, if any, the redemption provisions, if any, the Tax Treatment Designation, the form and any variations from the terms set forth in the Master Indenture with respect to such Series of Certificates; (b) 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 (c) any other provisions deemed by the State to be advisable or desirable and that do not violate and are not in conflict with the Master Indenture or any previous Supplemental Indenture.
- (ii) The Trustee has received forms of a new Site Lease and Lease or amendments to an existing Site Lease and Lease adding any new Leased Property and/or amendments to an existing Site Lease and Lease removing or modifying any Leased Property that is to be removed or modified.

(iii) If the proceeds of such Series of Certificates are to be used to defease Outstanding Certificates pursuant to the Master Indenture, the Trustee has received a form of a defeasance escrow agreement and the other items required by the Master Indenture.

(iv) The State has certified to the Trustee that: (a) the Fair Market Value of the property added to the Leased Property in connection with the execution and delivery of such Series of Certificates is at least equal to 90% of the principal amount of such Series of Certificates; and (b) no Event of Default or Event of Nonappropriation exists under any Lease. The certification of the State pursuant to clause (a) may be given based and in reliance upon certifications by the Sublessees that leased the Leased Property to the Trustee pursuant to Site Leases.

(v) The Trustee has received evidence that the execution and delivery of the Series of Certificates will not result in a reduction of the then current rating by any Rating Agency of any Outstanding Certificates, which evidence may take the form of a letter from a Rating Agency, a certificate of a financial advisor to the State or a certificate of an underwriter of Certificates.

(vi) 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 the Project Account established for each Participating K-12 Institution, the amount, if any, of the Allocated Investment Earnings for 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 the Master Indenture, the amount to be deposited into the defeasance escrow account established pursuant to the Master Indenture.

(vii) The Trustee has received a written opinion of Bond Counsel to the effect that (a) the Certificates of such Series have been duly authorized, executed and delivered pursuant to the Act, the Master Indenture and the Supplemental Indenture executed and delivered in connection with the execution and delivery of such Series of Certificates and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Outstanding Certificate, and (b) the execution, sale and delivery of the Series of Certificates will not constitute an Event of Default or a Failure to Perform nor cause any violation of the covenants set forth in the Master Indenture.

CERTAIN RISK FACTORS

The following is a discussion of certain risks and other factors to be considered in connection with a prospective investment in the Series 2021S Certificates. Prospective investors should read this Official Statement in its entirety, and fully understand and evaluate these risks and other factors, as well as the information set forth elsewhere in this Official Statement, in order to make an informed investment decision. Each prospective investor is urged to consult with its own legal, financial and tax advisors to determine whether an investment in the Series 2021S Certificates is appropriate for such prospective investor.

This section is not intended to be an exhaustive list of all risks associated with an investment in the Series 2021S Certificates, nor are the risks set forth in this section necessarily presented in order of relevance, materiality or importance.

Option to Renew the Leases Annually

The obligation of the State, as lessee, to make payments under the Leases (including the 2021S Lease) does not constitute an obligation of the State to apply its general resources beyond the current Fiscal

Year. The State is not obligated to pay Base Rent or Additional Rent under the Leases unless funds are appropriated by the General Assembly each year, notwithstanding the fact that sufficient funds may or may not be on deposit in the Assistance Fund or otherwise may be available for transfer from any other source. If, on or before June 30 of each Fiscal Year, the 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 be deemed to have occurred. Upon the occurrence of an Event of Nonappropriation as described above, or otherwise as provided in the Leases (including the 2021S Lease), the Lease Term of the Leases will be terminated; provided, however, that an Event of Nonappropriation will not be deemed to occur if, on or before August 15 of the ensuing Fiscal Year, (i) the General Assembly has appropriated 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 or authorization. See the sections captioned “Event of Nonappropriation” in the form of the 2021S Lease appended to this Official Statement.

There can be no assurance that the State will renew the Leases from Fiscal Year to Fiscal Year and therefore not terminate the Leases, and the State has no obligation to do so. There is no penalty to the State (other than loss of the use of the Leased Property for itself and, unless the purchase option under a Sublease has been exercised, the related Participating K-12 Institutions) if the State does not renew particular Leases on an annual basis and therefore terminates all of its obligations under such Leases. Various political and economic factors could lead to the failure to appropriate or budget sufficient funds to make the required payments under the Leases, and prospective investors should carefully consider any factors which may influence the budgetary process. The appropriation of funds may be affected by the continuing need of the State or the Participating K-12 Institutions for the Leased Property (including the 2021S Leased Property). In addition, the ability of the State to maintain adequate revenues for its operations and obligations in general (including obligations associated with the 2021S Lease) 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 which may be used to pay Base Rent and Additional Rent, and also may impact the ability of the State to appropriate sufficient funds to pay Base Rent and Additional Rent each year. See “SECURITY AND SOURCES OF PAYMENT,” “STATE FINANCIAL INFORMATION,” “APPENDIX E—THE STATE GENERAL FUND” and “APPENDIX G—PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND.”

Payment of the principal of and interest, if any, on the Certificates (including the Series 2021S Certificates) upon the occurrence of an Event of Lease Default or an Event of Nonappropriation will be dependent upon (1) the value of the Leased Property in a liquidation proceeding instituted by the Trustee, or (2) any rental income from leasing (to others) the Leased Property. See “Effect of a Nonrenewal of the Leases” in this section.

The State is not permitted to renew any of the Leases with respect to less than all of the Leased Property. Accordingly, a decision not to renew any Lease (including the 2021S Lease) would mean the loss of the use of all of the Leased Property by the State. However, each of the Participating K-12 Institutions which is a Sublessee has the right to exercise a purchase option under its respective Sublease in order to purchase and retain the right to use its portion of the Leased Property in the event that the State chooses not to appropriate and thereby terminate the Leases (including the 2021S Lease). See “SECURITY AND SOURCES OF PAYMENT—The Leased Property.”

The Trustee, as Lessor or Trustee, has no obligation to, nor will it make any payment on the Certificates or otherwise pursuant to the Leases except to the extent of amounts in the Trust Estate under the Indenture.

Effect of a Nonrenewal of a Lease

General. In the event of nonrenewal of the State's obligations under any of the Leases upon the occurrence of an Event of Nonappropriation or an Event of Default, the State is required to vacate the Leased Property under the Leases and the Sublessees are required to vacate the respective Leased Property being used under the Subleases (unless the purchase option under any Sublease has been exercised by any Participating K-12 Institution) within 90 days. The Subleases will automatically terminate upon any nonrenewal of any Lease by the State. Subject to the right of the respective Sublessees to purchase the Leased Property under the Subleases, the Trustee may proceed to lease the Leased Property or any portion thereof, including the sale of an assignment of the Trustee's interest under the Site Leases, 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 Leases. The Leases place certain limitations on the availability of money damages against the State as a remedy. For example, the Leases provide 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 Leased Property as required by the related Lease and only as to certain liabilities as described in such Lease. All property, funds and rights acquired by the Trustee upon the nonrenewal of any Lease, along with other moneys then held by the Trustee under the Indenture (with certain exceptions as provided in the Leases and the Indenture), are required to be used to redeem the Certificates, if and to the extent any such moneys are realized. See the sections of the 2021S Lease captioned "Events of Default" and "—Remedies on Default" in the form of such document appended to this Official Statement and "THE SERIES 2021S CERTIFICATES—Redemption Prior to Maturity—*Extraordinary Redemption Upon Occurrence of Event of Nonappropriation or an Event of Default.*"

The moneys derived by the Trustee from the exercise of the remedies described above may be less than the aggregate principal amount of the Outstanding Certificates and accrued interest thereon. If any Certificates are redeemed subsequent to a termination of any Lease 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 Certificates pursuant to the Master Indenture and applicable series indenture; and upon such a partial payment, no owner of any Certificate (including any Series 2021S Certificate) will have any further claims for payment upon the State, the Trustee, or the Participating K-12 Institutions.

Factors Affecting the Value of the Leased Property. A potential purchaser of the Series 2021S Certificates should not assume that it will be possible to sell, lease or sublease the Leased Property or any portion thereof after a termination of the Lease Term for an amount equal to the aggregate principal amount of the 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 Certificates, the construction of the Projects or the acquisition of the Leased Property. The valuation of the Leased Property has not been based on any independent third party appraisal or evaluation. See "SECURITY AND SOURCES OF PAYMENT—The Leased Property." To the extent Leased Property constitutes Projects financed by Outstanding Certificates and such Projects are partially constructed, the Trustee's ability to liquidate such Leased Property may be hindered. The value of the Leased Property could also be adversely affected by the presence, or even by the alleged presence of, hazardous substances. Present or future zoning requirements, restrictive covenants or other land use regulations may also restrict use of the Leased Property. Further, a considerable amount of Leased Property is 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 Sublessees and the State may also substitute other property for certain Leased Property as described in "SECURITY AND SOURCES OF PAYMENT—The Leased Property—*Substitution of Leased Property.*"

As described under “SECURITY AND SOURCES OF PAYMENT—The Leased Property,” the Trustee may only be able to lease certain Leased Property to a lessee that will continue to use it for educational purposes. Such restriction may limit the Trustee’s ability to obtain lease revenues for Owners in the event of nonrenewal of the State’s obligations under the related Lease.

Upon termination of any Lease, there is no assurance of any payment of the principal of Series 2021S Certificates by the State or the Trustee.

Payment of the principal of and interest on the Series 2021S Certificates and the Prior 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 Leased Property, other than the Base Rent. The State is not permitted to renew the Leases or any of them (including the 2021S Lease) with respect to less than all of the Leased Property. Accordingly, a decision not to renew any Lease would mean the loss of the use by the State of all of the Leased Property. An Event of Default or Event of Nonappropriation by a Participating K-12 Institution under its Sublease does not constitute an Event of Default or an Event of Nonappropriation under the related Lease and does not affect the State’s obligation to pay Base Rent. Prospective investors should be aware that value of the Leased Property could be affected if there are design or construction defects in any of the buildings subject to a Lease.

Federal Direct Payments

Federal Direct Payments, to the extent received by the State from the United States Treasury and held by the Trustee on behalf of the State, are required under the Indenture to be deposited in the Interest Account of the Certificate Fund to net against and reduce the gross Base Rent payable by the State each Fiscal Year under the related Lease. Federal Direct Payments currently are being received in connection with the Series 2010D Certificates.

No assurances are provided that the State or the Trustee will continue to receive any Federal Direct Payments. The amount of any Federal Direct Payment is subject to legislative changes by Congress. See “SECURITY AND SOURCES OF PAYMENT—Federal Direct Payments” for a discussion of the actual and potential impact of sequestration under the 2011 Federal Budget Act on the receipt of Federal Direct Payments. Further, Federal Direct Payments will only be paid if the Series 2010D Certificates qualify as “Specified Tax Credit Bonds” within the meaning of the Recovery Act. To satisfy such qualifications, the State and the relevant Participating K-12 Institutions must comply with certain covenants and the State and the relevant Participating K-12 Institutions must establish certain facts and expectations with respect to the Series 2010D Certificates, the use and investment of proceeds thereof and the use of property financed thereby.

There are currently no procedures for requesting a Federal Direct Payment after the 45th day prior to an interest payment date. Therefore, if the request for a Federal Direct Payment is not filed in a timely fashion, it is possible that the State will never receive such Federal Direct Payment. In addition, Federal Direct Payments are subject to offset against certain amounts that may, for unrelated reasons, be owed by the State to an agency of the United States of America. The amount expected to be appropriated each year by the State for payment of Base Rent is the gross Base Rent not reduced by the Federal Direct Payments under the related Lease. See “SECURITY AND SOURCES OF PAYMENT—Federal Direct Payments.”

If the Trustee leases the Leased Property to a non-governmental entity as a result of an Event of Nonappropriation or an Event of Default and the Series 2010D Certificates remain outstanding, the Federal Direct Payments will no longer be paid by the United States Treasury because the requisite qualifications will no longer be satisfied.

The IRS has implemented an examination program for obligations such as the Series 2010D Certificates that qualify for direct federal subsidies, and no assurance can be given that such Certificates will not be selected by the IRS for examination. In the event the IRS files a proposed adverse determination letter as a result of such an examination, announced IRS policy is to suspend payment of the Federal Direct Payments pending a final determination of the qualification of the Series 2010D Certificates for eligibility to receive Federal Direct Payments. Furthermore, in certain circumstances, the Federal Direct Payments may be reduced (offset) by amounts determined to be applicable under the Tax Code and regulations promulgated thereunder. For example, offsets may occur by reason of any past-due legally enforceable debt of the State to any federal agency. The amount of any such offsets is not predictable by the State.

Enforceability of Remedies

Under the Leases, the Trustee has the right to take possession of and dispose of the Leased Property upon an Event of Nonappropriation or an Event of Default. However, the enforceability of the Leases 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 Leased Property may delay repossession for an indefinite period, even though the Lessee may be in default under a Lease. The right of the Trustee to obtain possession of the Leased Property and to sell, lease or sublease portions of the Leased Property could be delayed until appropriate alternative space is obtained by the relevant Participating K-12 Institutions. As long as the Trustee is unable to take possession of the Leased Property, it will be unable to sell or re-lease the Leased Property as permitted under the Leases and the Indenture or to redeem or pay the Series 2021S Certificates except from funds otherwise available to the Trustee under the Indenture. See also "SECURITY AND SOURCES OF PAYMENT."

Effects on the Series 2021S 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 2021S Lease under certain circumstances as provided in the 2021S Lease upon the treatment for federal or State income tax purposes of any moneys received by the Owners of the Series 2021S Certificates subsequent to such termination. See "TAX MATTERS." If the 2021S Lease 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 2021S Certificates will be transferable without registration or a transactional exemption from registration under the federal securities laws following the termination of the 2021S Lease.

Insurance of the Leased Property

The Subleases require the Participating K-12 Institutions to pay, as Additional Rent, all of the expenses with respect to casualty and property damage insurance with respect to the Leased Property subject to their respective Subleases in an amount equal to the current replacement value of the Leased Property. The Subleases also require the Participating K-12 Institutions to pay, as Additional Rent, all of the expenses with respect to public liability insurance with respect to the activities to be undertaken by the Participating K-12 Institutions in connection with the Leased Property subject to their respective Subleases and the Leases: (1) to the extent such activities result in injuries for which immunity is available under the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S., or any successor statute, in an amount not less than the amounts for which the State and the Participating K-12 Institutions 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 Leases require 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 or the Participating K-12 Institutions and to have such required insurance provided under blanket insurance policies or through the Colorado School District's Self Insurance Program, in the case of the

Colorado School for the Deaf and Blind by the State's risk management program or, with the State's consent, the Participating K-12 Institution's risk management program. See "LITIGATION, GOVERNMENTAL IMMUNITY AND SELF INSURANCE—Self Insurance." There is no assurance that in the event the Lease is terminated as a result of damage to or destruction or condemnation of the related Leased Property, moneys made available by reason of any such occurrence will be sufficient to redeem the Series 2021S Certificates at a price equal to the principal amount thereof outstanding. See "THE SERIES 2021S CERTIFICATES—Redemption Prior to Maturity."

Actions under the Subleases

Although the State's payment of Rent under the Leases will not depend or be conditioned upon payment of Rent, if any, under the Subleases, certain actions by the Participating K-12 Institutions in respect of the related Leased Property or Project could have an adverse effect on the interests of the owners of the Series 2021S Certificates. For example, failure to operate or maintain the Leased Property under a related Sublease in accordance with the terms thereof could diminish the value of that Leased Property. If, for whatever reason, such Lease terminates or the Trustee exercises re-letting or sale remedies thereunder, that diminished value could adversely affect the Trustee's ability to recoup rentals or obtain a sale price sufficient to pay Certificate principal or to redeem the full Certificate principal, as the case may be. Violations of environmental laws similarly could diminish the re-letting or sale value of the subject Leased Property, and could lead to statutory remedies under applicable federal and state laws. Failure by a Participating K-12 Institution to obtain the casualty and property insurance policies required by the applicable Sublease could limit the principal amount of Series 2021S Certificates redeemed upon the damage or destruction of the subject Leased Property under certain circumstances. In addition, while the State expects that Certificate principal and interest will be paid from funds other than moneys derived from payments in respect of property used in a private trade or business, and also expects that the Leased Property will be used by Participating K-12 Institutions, which are governmental units, use of the Projects financed with Series 2021S Certificate proceeds by private persons or businesses, within the meaning of applicable tax law, could adversely affect the federal tax treatment of Series 2021S Certificates.

State Budgets and Revenue Forecasts

The State Constitution requires that expenditures for any 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 Balances 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 September 21, 2021 (the "OSPB September 2021 Revenue Forecast") and is included in this Official Statement. See "STATE FINANCIAL INFORMATION" and "APPENDIX F—OSPB SEPTEMBER 2021 REVENUE FORECAST." The next OSPB revenue forecast will be released in December 2021. General Fund revenue projections in the new forecast may be materially different from the OSPB September 2021 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 "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 “PRELIMINARY NOTICES—Cautionary Statement Regarding Projections, Estimates and Other Forward-Looking Statements” 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.”

Potential Impact of COVID-19 (Coronavirus)

The spread of a novel strain of coronavirus called COVID-19 is currently altering the behavior of businesses and people in a manner that is having significant negative effects on global, national, state, and local economies. State and local governments, including the State of Colorado, have announced orders, recommendations and other measures intended to slow the spread of COVID-19, including limiting the size of public gatherings and regulating public spaces in order to minimize interpersonal contact. These COVID-19 measures are changing rapidly.

Beginning in March 2020, Colorado Governor Polis has issued numerous public health orders pertaining to COVID-19. Certain material orders are described below. CDPHE provides information relating to COVID-19 and related developments in the State of Colorado on its website, covid19.colorado.gov. Reference to such website is presented herein for informational purposes only and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

The primary current public health order of the Governor is Executive Order D 2020 235, issued October 30, 2020, expired on April 16, 2021 (the “Dial Framework Order”). The Dial Framework Order consolidates numerous prior orders which imposed various restrictions upon Colorado residents and businesses. The Dial Framework Order recognizes unique local circumstances and uses a five-level dial to visualize a community’s success in containing the spread of COVID-19. On November 2, 2020, CDPHE issued Public Health Order 20-36, which sets forth the requirements for the implementation of the Dial Framework Order (together with the Dial Framework Order, the “Dial Orders”). Pursuant to the Dial Orders, each county or region is at one of five levels represented by colors on a dial: green, blue, yellow, orange and red. The CDPHE is directed to certify and review the process of moving counties between levels. Level Red requires residents to stay at home, and other levels require varying degrees of restrictions, depending on the level. In addition to the Dial Framework Order, Executive Order D 2020 138 (issued July 16, 2020, as amended on August 14, 2020, September 12, 2020, October 11, 2020, and November 2, 2020) (expired November 11, 2020).

Effective April 16, 2021, the COVID-19 Framework evolved into Public Health Order 20-38 that allows counties to implement regulations at the local level while still maintaining some limited requirements across the State, including requirements pertaining to skilled nursing facilities, face coverings and mass indoor gatherings. Counties may use the COVID-19 Dial Framework Order as a model for implementing their own regulations. On September 30, 2021, the Seventh Amended Public Health Order

20-38 Limited COVID-19 Restrictions, extends through October 31, 2021 (“7th Amended PHO 20-38”). The 7th Amended PHO 20-38 amends and supercedes prior public health orders and implements reduced restrictions for individuals, businesses and activities as well as reporting requirements for hospitals. In summary, it requires: state contractors entering state facilities to provide services to a client, patient, resident or youth living in the facility who have a medical or religious exemption from immunization approved by their employer to be tested for COVID-19 twice weekly, and excluded from the facility and required to isolate if they test positive; all other state contractors entering state facilities who are unvaccinated or not fully vaccinated or who have a medical or religious exemption from immunization approved by their employer to be tested for COVID-19 twice weekly, and excluded from the facility and required to isolate if they test positive; and, confirmation from state contractors that all state contract workers who are not fully vaccinated and are required to participate in twice weekly COVID-19 testing are doing so.

On October 31, 2021, the Colorado Department of Public Health and Environment announced amendments and extensions to two public health orders and issued a new public health order due to the continued rise in the number of COVID cases in Colorado, and as the State ensures that the COVID vaccine and boosters are accessible to all Coloradans.

Public Health Order 20-38 is amended for an eighth time and extended to December 1, 2021. Among other things, the order includes limited requirements for individuals and businesses to mitigate the spread of COVID-19 in Colorado. It requires face coverings in some settings; counties to meet certain metrics or be subject to requirements established by CDPHE; and, includes hospital reporting requirements regarding bed capacity to give the State critical information to assess the statewide capacity to provide necessary medical care and services to Coloradans.

Public Health Order 21-01 is amended for a second time and extended to run concurrently with Executive Order D 2021 122 to thirty days from October 31, 2021. It now includes a provision requiring COVID vaccine providers to administer second shots and any additional or booster shots regardless of where an individual received prior vaccinations. It also requires COVID vaccine providers to administer the vaccine to any individual who self-attests that they meet the criteria approved by the Food and Drug Administration and recommended by the Centers for Disease Control and requires COVID vaccine administrators to submit vaccination and demographic data to CDPHE within 48 hours of administration.

Finally, new Public Health Order 21-02 expires on December 1, 2021, and seeks to give hospitals greater capacity to serve Coloradans during the pandemic. It requires hospitals, hospital-owned ambulatory surgical centers, and outpatient surgery centers to delay certain elective procedures, including cosmetic procedures, for up to six months if the delay would not cause harm to life, limb or function. It also authorizes the transfer of patients from hospital settings.

On October 3, 2021, the Governor issued Executive Order D 2021 132 (that amends and extends prior Executive Orders) declaring a disaster emergency pursuant to the Colorado Disaster Emergency Act (Section 24-33.5-701, et seq., C.R.S.), thereby triggering certain provisions under State law, including the use of the emergency reserve mandated by the Taxpayer’s Bill of Rights or “TABOR.” Collectively, these Executive Orders also directed the use of various State funds for disaster emergency response purposes.

According to the OSPB September 2021 Revenue Forecast, Colorado’s labor force participation rate was at 68.2 percent in February 2020, dropped to 64.9 percent at the start of the pandemic and has rebounded to 68.3 percent as of August 2021. Also, the national unemployment rate was 5.2 percent and Colorado’s was 5.9 percent in August 2021. On October 28, 2020, Governor Polis issued Executive Order D 2020 230, which directed the Unemployment Insurance Division to make one-time direct stimulus payments of \$375 to all qualifying individuals. The payments are to be processed by December 4, 2020

from the various fund transfers, totaling \$168 million from the State Disaster Emergency Fund. Further, on November 5, 2020, Governor Polis issued Executive Order D 2020-242, which extends the expedited unemployment insurance claim processing to provide relief to Coloradans affected by COVID-19.

The General Assembly took a variety of steps to reduce spending in the fiscal years ending June 30, 2020 and June 30, 2021 to develop a balanced budget for the fiscal year ending June 30, 2021 based on the May 2020 Revenue Forecast. The OSPB September 2021 Revenue Forecast, APPENDIX F, explicitly incorporates the potential impact of COVID-19 in the assumptions used as the basis for its forecast. General Fund Revenue is forecasted to have increased by 10.7% in the fiscal year ended June 30, 2021 (as compared to General Fund Revenues for the Fiscal Year ended June 30, 2020), to increase by 7.3% in the Fiscal Year ending June 30, 2022 (as compared to General Fund Revenues forecasted for the Fiscal Year ended June 30, 2021), and to increase by 3.9% in the fiscal year ending June 30, 2023 (as compared to General Fund Revenues forecasted for the fiscal year ending June 30, 2022). Previously the OSPB September 2020 Revenue Forecast had forecasted significantly lower revenues to the State General Fund than both the revenue forecast in the OSPB December 2019 Revenue Forecast and the OSPB March 2020 Revenue Forecast for the fiscal years ending June 30, 2021 through June 30, 2022. However, the OSPB September 2020 Revenue Forecast had forecasted revenues to the State General Fund greater than those forecast in the OSPB May 2020 Revenue Forecast. As a result of these earlier forecasts, in an effort to reduce State expenses, on September 22, 2020, the Governor announced that, except for certain exempt employees, all State employees making \$50,000 or more will be required to take 1 to 4 furlough days before the end of 2020. The number of furlough days required to be taken by a State employee will depend upon such employee's salary, with those employees with higher salaries being required to take more furlough days. The combined effect of the State's budget reduction measures and the increased General Fund Revenues forecast in the OSPB September 2020 Revenue Forecast resulted in the State having revenues in excess of those in the fiscal year 2020-2021 budget that by law, rolled forward to successive budget years. See "APPENDIX E—THE STATE GENERAL FUND." Investors are encouraged to review both APPENDIX E and APPENDIX F in their entirety.

In addition to initially lost State revenues, the State is continuing to incur significant expenses in healthcare costs attributable to (a) expanded testing of vulnerable populations, (b) scaling up epidemiology and contact tracing, (c) increasing testing capacity at the State Lab, including new equipment, supplies and personnel and (d) improving coordination to rapidly respond to and contain disease outbreaks. The State's emergency funding plan entails progressively identifying funding by source. First, agencies and the Governor's office have been identifying all available federal funds to cover COVID-19 response, including, but not limited to, the Family First Coronavirus Response Act (HR 6201), the CARES Act (HR 748) and the Paycheck Protection Program and Health Care Enhancement Act (HR 266). Second, for costs not able to be covered by federal funds, State agencies and the Governor's Office plan to use the State emergency funds. Finally, agencies have been working with the OSPB and the Joint Budget Committee of the General Assembly to identify needs as part of the regular budget and planning process. On May 18, 2020, the Governor announced the allocation of \$1.674 billion in federal funds under the CARES Act. Such allocation includes, but is not limited to: \$205 million to local public health agencies for COVID-19 response; \$500 million to local school districts to increase free instructional hours for kindergarten through 12th grade; \$450 million to public institutions of higher education to increase student retention and completions; \$275 million to local governments to facilitate compliance with COVID-19-related public health measures; and \$85 million for payroll expenses and other necessary State expenditures for employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. As of May 11, 2020, the OSPB estimated that the State has over \$101 million and \$197 million in its Disaster Emergency Fund and State Emergency Fund, respectively. The State anticipates that it will receive additional federal funds and that it will need to make withdrawals from State emergency funds in the future. However, due in part to their interrelationship, it is not possible to predict with any certainty at this point the timing and amounts of such receipts or withdrawals. Including the May announcement, the

State has received approximately \$2.9 billion in federal funds from four different bills passed by Congress since March, including the Coronavirus Preparedness and Response Supplemental Appropriations Act, the Families First Coronavirus Response Act, the CARES Act, and the Paycheck Protection Program and Health Care Enhancement Act. The largest of these was the CARES Act, under which Colorado received \$2.3 billion, including \$1.7 billion to the State and \$0.6 billion directly to the State's largest counties with populations over 500,000 (the counties of Adams, Arapahoe, Denver, El Paso, and Jefferson). The Governor also signed Executive Order D 2020 070 which allocated \$1.7 billion to different departments, funds, payrolls, and the General Fund to address the COVID-19 pandemic. These funds were required to be used in compliance with federal Treasury guidance and frequently asked questions, and were spent between March 1, 2020, and December 30, 2020.

The State Treasurer is closely monitoring the General Fund cash flows and will evaluate potential cash management options, as necessary. There can be no assurances that the fiscal stress and cash pressures currently facing the State will not continue or become more difficult.

The State cannot predict (i) the duration or extent of the COVID-19 pandemic; (ii) the duration or expansion of related business closings, public health orders, regulations and legislation; and (iii) the extent to which, or the negative effect the COVID-19 pandemic will continue to have on global, national and local economies, including whether a recession may be triggered. While it is too early to determine with any confidence the possible full extent of the effect of COVID-19 on the State, the General Fund or the Assistance Fund, such impact is expected to be significant and to have a material adverse effect on the State's finances. Accordingly, the impact of COVID-19 could have a negative effect on the ability of the General Assembly to make payments under the 2021S Lease.

Control of Remedies

Under the Indenture, the Owners of a majority in principal amount of all the 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 any Lease or Site Lease or to control any proceedings relating to the Indenture or any Lease or Site Lease; provided that such direction is not otherwise than in accordance with the provisions of the Indenture. See Section 7.06 of the form of the Master Indenture attached in APPENDIX B hereto. The interests of Owners of the Series 2021S Certificates may vary from the interests of the Owners of other Series of Certificates for a variety of reasons.

Future Changes in Laws and Future Initiatives

Various Colorado laws, including the Act, apply to the priority and allocation of rental income and royalties derived from State school lands, allocation of State lottery proceeds, 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 which would 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. In addition, employee computers at the Colorado Department of Transportation were the subject of a ransomware attack in February 2018. Nevertheless, 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. In addition, employee computers at the Colorado Department of Transportation were the subject of a ransomware attack in February 2018. Nevertheless, 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.

Secondary Market

While the Underwriters expect, insofar as possible, to maintain a secondary market in the Series 2021S 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 2021S Certificates should therefore be prepared, if necessary, to hold their Series 2021S Certificates to maturity or prior redemption, if any.

THE STATE

General Profile

Colorado became the 38th 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 5.5 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 COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020" AND STATE OF COLORADO UNAUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021 and "APPENDIX I—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 2019 (following the general election held in November of 2018) and will expire on the second Tuesday in January of 2023. 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 moneys 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 Assistance Fund and the State 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 COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020,” AND STATE OF COLORADO UNAUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021” “APPENDIX E—THE STATE GENERAL FUND,” “APPENDIX F—OSPB SEPTEMBER 2021 REVENUE FORECAST,” “APPENDIX G—PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND,” “APPENDIX I—CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION” and “APPENDIX J—STATE PENSION SYSTEM.” With the exception of the State economic and demographic information, has been provided by Development Research Partners, the information in these sections and appendices has been provided by the State. Unless otherwise noted, historical financial, economic, and demographic data contained herein does not reflect the impact of COVID-19.

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 moneys 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 moneys in the manner prescribed by law. Every officer, department,

institution and agency of the State (except for certain institutions of higher education) charged 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 moneys accruing to the State from any source is required to transmit those moneys 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 moneys to deposit such moneys to a depository to the State Treasurer’s credit in lieu of transmitting such moneys 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 moneys 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 amounts of the TABOR Reserve for Fiscal Years 2021-22 and 2022-23 have been estimated in the OSPB September 2021 Revenue Forecast to be \$479.7 million and \$501.2 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, C.R.S. and 24-77-106.5, 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. In Fiscal Year 2014-15, TABOR revenues exceeded the TABOR limit and resulted in the State being \$150.0 million above the ESRC, thus triggering a TABOR refund. TABOR revenues again exceeded the TABOR limit in Fiscal Years 2015-16 and 2016-17 but were below the ESRC. In Fiscal Year 2017-18, TABOR revenues exceeded the TABOR limit and resulted in the State being \$18.5 million above the ESRC, and in Fiscal Year 2018-19, TABOR revenues exceeded the TABOR limit and resulted in the State being \$428.3 million above the ESRC, in each case triggering a TABOR refund. In Fiscal Year 2019-20, TABOR revenues exceeded the TABOR limit, but were below the ESRC. In Fiscal Year 2020-21, TABOR revenues exceeded the TABOR limit, and were above the ESRC. The OSPB September 2021 Revenue Forecast states that TABOR revenues are forecasted to exceed the ESRC in Fiscal Years 2021-22 and 2022-23.

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 creates the “General Fund Exempt Account” within the General Fund, to which there is to be credited moneys 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 moneys 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. House Bill (“HB”) 15-1367, which referred the measure to the State’s voters (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 “General Fund and State Education Fund Budget” in the OSPB September 2020 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 Certificates. Voter approval under TABOR is not required for the execution and delivery of the Certificates because the State’s obligations under the Lease 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 moneys 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 F—OSPB SEPTEMBER 2021 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 2014-15 and thereafter. 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^{1,2,3,4}</u>
2016-17	6.00%
2017-18	6.50
2018-19	7.25
2019-20	3.07
2020-21	2.86
2021-22	13.40

¹ 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. Per HB 16-1419 and SB 16-218, for Fiscal Year 2015-16 only, the percentage is of the amount subject to the appropriations limit minus the amount of income tax revenue required to be diverted to a reserve fund to fund severance tax refunds resulting from the ruling of the Colorado Supreme Court on April 25, 2016, in *BP America Production Company v. Colorado Department of Revenue*. See “General Fund Overview” table in “APPENDIX E—THE STATE GENERAL FUND—General Fund Overview.”

² Per SB 15-251, in Fiscal Years 2015-16 through 2017-18, General Fund appropriations for lease purchase agreement payments made in connection with certificates of participation sold to fund certain capital projects were made exempt from the reserve calculation requirement. See “DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS—The State, State Departments and Agencies.”

³ Per SB 18-276, the Unappropriated Reserve requirement was increased to 7.25% starting with Fiscal Year 2018-19. The legislation also removed the exemption of General Fund appropriations for lease purchase agreement payments made in connection with certificates of participation from the reserve calculation requirement.

⁴ Per HB 20-1383 and SB 21-226, the Unappropriated Reserve requirement was reduced to 3.07% for Fiscal Year 2019-20, 2.86% for Fiscal Year 2020-21, 13.40% for Fiscal Year 2021-22 and 15.00% for Fiscal Years 2022-23 and thereafter.

See also generally “APPENDIX E—THE STATE GENERAL FUND—General Fund Overview—Revenue Estimation; OSPB Revenue and Economic Forecasts” and “APPENDIX F—OSPB SEPTEMBER 2021 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 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 (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 moneys 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 moneys 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 a Comprehensive Annual 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 2019-20 ACFR (the “Fiscal Year 2019-20 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 both the State’s Fiscal Year 2019-20 ACFR and State Fiscal Year 2020-21 Basic Financial Statements (“BFS”) 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 cash flow schedules include all financial activity reported specifically in the General Purpose Revenue Fund on a cash basis, while 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 includes revenues and expenditures for certain special cash receipts that are related to fees, permits and other fees 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 2019-20 ACFR, including the State Auditor’s Opinion thereon, and the State’s unaudited Fiscal Year 2019-21 BFS are 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 2019-20 ACFR, nor has the State Auditor performed any procedures relating to this Official Statement or the Fiscal Year 2020-21 BFS.

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 both the State’s Fiscal Year 2019-20 ACFR and the State’s Fiscal Year 2021-22 unaudited BFS 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 moneys 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.

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 2021S 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 2019-20 ACFR appended to this for a discussion of the outstanding lease-purchase agreements entered into by the State as of June 30, 2020, as well as the aggregate minimum lease payments due under such lease-purchase entered into by the State for Fiscal Years 2019-20 and thereafter, and also Note 21 to the Fiscal Year 2019-20 ACFR for a discussion of lease-purchase agreements entered into by the State June 30, 2020, but before publication of the Fiscal Year 2019-20 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 also 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.

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 2019-20 ACFR appended to this Official Statement for a discussion of the outstanding lease/rental agreements entered into by the State as of June 30, 2020 as well as the aggregate minimum payment obligations under such agreements in Fiscal Year 2019-20 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 2019-20 ACFR appended to this Official Statement for a discussion of such bonds and notes outstanding as of June 30, 2020, and of those issued after June 30, 2020, but before publication of the Fiscal Year 2019-20 ACFR. The revenue bonds and certificates of participation, some of which have been financed by the sale of certificates of participation in the revenues of the related lease purchase agreements, have in most cases been publicly offered, while the notes have generally been issued through private negotiation 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 2019-20 ACFR appended to this Official Statement.

See also the Statistical Section of the State's Fiscal Year 2019-20 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 January 28, 2021, the State issued \$390 million in aggregate principal amount of its Education Loan Program Tax and Revenue Anticipation Notes, Series 2020B in order to meet cash flow shortages experienced by local school districts in the State. On July 20, 2021, the State issued \$370 million in aggregate principal amount of its Education Loan Program Tax and Revenue Anticipation Notes, Series 2021A.

See also the Statistical Section of the State's Fiscal Year 2019-20 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 moneys 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 J—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 both the State’s Fiscal Year 2019-20 ACFR and Fiscal Year 2020-21 BFS appended to this Official Statement, as well as PERA’s Comprehensive Annual Financial Report for calendar year 2020 (the “PERA 2020 Annual Report”). The information in the State’s Fiscal Year 2019-20 ACFR regarding PERA is derived from the PERA 2020 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 2020 Annual Report reports that at December 31, 2020, the actuarial value of assets of the State Division Plan was approximately \$16.039 billion and the actuarial accrued liability, or “AAL,” of the Plan was approximately \$27.117 billion, resulting in an unfunded actuarial accrued liability, or “UAAL,” approximately \$11.078 billion, a funded ratio of 59.1 % and an amortization period of 35 years, all as further described in **APPENDIX J**—“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, 2020, the Plan had an unfunded actuarial accrued liability of approximately \$9.457 billion and a funded ratio of 65.1%.

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 J—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 moneys 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, 2020, taking into account the changes made by SB 18-200, the Health Care Trust Fund had an unfunded actuarial accrued liability of approximately \$987.635 million, a funded ratio of 30.3% and a 20-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 Annual Report 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 Comprehensive Annual Financial Report for Fiscal Year 2014-15 (the "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 2019-20 ACFR of approximately \$11.285 billion at June 30, 2020, compared to a reported net pension liability in the State's Fiscal Year 2018-19 ACFR of approximately \$13.531 billion at June 30, 2019. 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, 2013-2019, 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 2019-20 ACFR. See also "Overall Financial Position and Results of Operations" in the Management's Discussion and Analysis in the State's Fiscal Year 2019-20 ACFR and Notes 1, 6, 7 and to the Financial Statements in the State's Fiscal Year 2019-20 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 will be 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 will also be 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 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 2019-20 ACFR appended to this Official Statement under the caption "CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS—Pension Plan Contributions." 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 2019-20 ACFR and the State's Fiscal Year 2020-21 BFS or the State's ability to fully pay its obligations, including the Certificates.

LITIGATION, GOVERNMENTAL IMMUNITY AND SELF INSURANCE

No Litigation Affecting the Series 2021S Certificates

There is no litigation pending, or to the knowledge of the State threatened, either seeking to restrain or enjoin the execution or delivery of the Series 2021S Certificates or questioning or affecting the validity of the Series 2021S Certificates or the proceedings or authority under which they are to be executed and delivered. There is also no litigation pending, or to the State's knowledge threatened, that in any manner questions the right of the State Treasurer to enter into the related Leases or the Subleases in the manner provided in the Act.

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 both the State's Fiscal Year 2019-20 ACFR and the State's Fiscal Year 2020-21 BFS 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.

LEGAL MATTERS

Legal matters relating to the validity of the Series 2021S Certificates are subject to the approving opinion of Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel, which will be delivered with the Series 2021S Certificates, a form of which is attached hereto as "APPENDIX D—FORM OF OPINION OF BOND COUNSEL." Tate Law, P.C., Denver, Colorado, has acted as special 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. Stradling Yocca Carlson & Rauth, Denver, Colorado, has acted as counsel to the Underwriters in connection with the execution and delivery of the Series 2021S Certificates. Payment of legal fees to Bond Counsel and Special Counsel are contingent upon the sale and delivery of the Series 2021S Certificates.

TAX MATTERS

In General

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, the portion of the Base Rate paid by the State which is designated and paid as interest on the Series 2021S Certificates (referred to in this section as "interest") is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, interest on the Series 2021S Certificates is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code and interest on the Series 2021S Certificates is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Series 2021S Certificates. For purposes of this paragraph and the succeeding discussion, "interest" includes the original issue discount on certain of the Series 2021S Certificates only to the extent such original issue discount is accrued as described herein. The opinion of Bond Counsel does not cover the

treatment for federal or Colorado income tax purposes of any moneys received in payment of or in respect to the Series 2021S Certificates subsequent to the occurrence of an Event of Default or an Event of Nonappropriation.

The Tax Code and Colorado law impose several requirements which must be met with respect to the Series 2021S Certificates in order for the interest thereon to be excluded from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Series 2021S Certificates. These requirements include: (a) limitations as to the use of proceeds of the Series 2021S Certificates; (b) limitations on the extent to which proceeds of the Series 2021S Certificates may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Series 2021S Certificates above the yield on the Series 2021S Certificates to be paid to the United States Treasury. The Trustee will covenant and represent in the Master Indenture, and the State will covenant and represent in the 2021S Lease, that they will take all steps to comply with the requirements of the Tax Code and Colorado law (in effect on the date of delivery of the Series 2021S Certificates) to the extent necessary to maintain the exclusion of interest on the Series 2021S Certificates from gross income and alternative minimum taxable income under such federal income tax laws and Colorado taxable income and Colorado alternative minimum taxable income under such Colorado income tax laws. Bond Counsel's opinion as to the exclusion of interest on the Series 2021S Certificates from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the State to comply with these requirements could cause the interest on the Series 2021S Certificates to be included in gross income, alternative minimum taxable income, Colorado taxable income or Colorado alternative minimum taxable income, or a combination thereof, from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the State and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Series 2021S Certificates. Owners of the Series 2021S Certificates should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and Colorado tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Series 2021S Certificates made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Series 2021S Certificates may be sold at a premium, representing a difference between the original offering price of those Series 2021S Certificates and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the Series 2021S Certificates from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or Colorado tax consequences arising from the receipt or accrual of interest on or ownership of the Series 2021S Certificates. Owners of the Series 2021S Certificates should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Series 2021S Certificates. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Series 2021S Certificates, the exclusion of interest on the Series 2021S Certificates from gross income or alternative minimum taxable income or both from the date of issuance of the Series 2021S Certificates or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Series 2021S Certificates. Owners of the Series 2021S Certificates are advised to consult with their own tax advisors with respect to such matters.

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 2021S Certificates. If an audit is commenced, the market value of the Series 2021S Certificates may be adversely affected. 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 has covenanted in the 2021S Lease not to take any action that would cause the interest on the Series 2021S Certificates to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the State, the Underwriters, the Municipal Advisor, Bond Counsel or Special Counsel is responsible for paying or reimbursing any holder of the 2021S Certificates with respect to any audit or litigation costs relating to the Series 2021S Certificates.

UNDERWRITING

The Series 2021S Certificates are to be purchased by the Underwriters listed on the front cover page of this Official Statement at a price equal to \$178,054,439.62 (representing the aggregate principal amount of the Series 2021S Certificates of \$150,415,000 plus original issue premium of \$28,119,630.40 and less an aggregate underwriting discount of \$480,190.78). The Underwriters have agreed to accept delivery of and pay for all the Series 2021S 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 2021S Certificates, the approval of certain legal matters by counsel and certain other conditions. The Underwriters may offer and sell the Series 2021S Certificates to certain dealers (including dealers depositing such Series 2021S Certificates into investment funds) and others at prices lower than the public offering prices stated on the inside front cover 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, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed and may in the future perform, various investment banking services for the State for which they received or will receive customary fees and expenses. In the ordinary course of various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own accounts and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the State.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Series 2021S Certificates, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2021S Certificates from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2021S Certificates that such firm sells.

Citigroup Global Markets Inc., an underwriter of the Series 2021S Certificates, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

Stifel, Nicolaus & Company, Incorporated (“Stifel”), as underwriter of the Series 2021S Certificates, has entered into an agreement with its affiliate, Vining-Sparks IBG, LLC for the distribution of certain municipal securities offerings at the original issue price. Pursuant to that distribution agreement, Vining-Sparks may purchase Series 2021S Certificates from Stifel at the original issue price less a negotiated portion of the selling concession applicable to any Series 2021S Certificates that Vining-Sparks sells.

RATINGS

Moody’s Investors Service has assigned the Series 2021S Certificates a rating of “Aa2”, and Standard & Poor’s Ratings Services has assigned the Series 2021S Certificates a rating of “AA-”. 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 has furnished to the rating agencies certain information and materials relating to the Series 2021S Certificates and the 2021S Leased Property, 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. A securities rating is not a recommendation to buy, sell or hold securities **and may be subject to revision or withdrawal at any time**. 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 2021S 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 Hilltop Securities Inc., Denver, Colorado, as municipal advisor (the “Municipal Advisor”) in connection with the Series 2021S Certificates and with respect to the authorization, execution and delivery of the Series 2021S Certificates. *The Municipal Advisor is 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 firm and will not be engaged in underwriting or distributing the Series 2021S 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 2021S 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, 2020, and (b) notices of the occurrence of certain events affecting the State and the 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 2021S 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 a Lease Event of Default, and none of the rights and remedies provided in the Indenture and the Lease for such defaults will be available to the Owners and Beneficial Owners of the 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.

Due to various issues that were experienced by the State in connection with the implementation of a new integrated financial system as described in "STATE FINANCIAL INFORMATION—Fiscal Controls and Financial Reporting," the State's unaudited Basic Financial Statements for Fiscal Year 2014-15 and the State's Fiscal Year 2014-15 ACFR were not completed and released until late January 2016 and late April 2016, respectively. As a result, the State was unable to post its Fiscal Year 2014-15 audited financial statements on EMMA by December 31, 2015, as required by numerous continuing disclosure undertakings entered into by the Included Entities. Notice of such noncompliance was posted on EMMA on January 25, 2016, and the State's unaudited Basic Financial Statements for Fiscal Year 2014-15 and the State's Fiscal Year 2014-15 ACFR were subsequently posted on EMMA on February 1, 2016, and May 2, 2016, respectively. The State was also unable to post its Fiscal Year 2015-16 audited financial statements on EMMA by December 31, 2016, as required by such continuing disclosure undertakings. Notice of such noncompliance was posted on EMMA on January 16, 2017, and the State's unaudited Basic Financial Statements for Fiscal Year 2015-16 and the State's Fiscal Year 2015-16 ACFR were posted on EMMA on January 16, 2017, and March 8, 2017, respectively. The State was also 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.

In addition to the State's financial statements for Fiscal Years 2014-15 and 2015-16 discussed above, certain operating data for the Department of Human Services for Fiscal Years 2014-15 and 2015-16 was not timely posted on EMMA (within 200 days of the end of the Fiscal Year) in connection with the Colorado State Department of Human Services (Division of State and Veterans Nursing Homes) Enterprise System Revenue Anticipation Warrants, Series 2002A. Notices of failure to file such information for Fiscal Years 2014-15 and 2015-16 were posted on EMMA on January 21, 2016, and January 19, 2017, respectively. The State's unaudited Basic Financial Statements and ACFRs for Fiscal Years 2014-15 and 2015-16 were eventually posted on EMMA as discussed above, and the operating data for the Department of Human Services for both Fiscal Years 2014-15 and 2015-16 was posted on EMMA on March 28, 2017.

The OSPB December 2015 and March 2016 revenue forecasts were not timely posted on EMMA in connection with the State's Higher Education Federal Mineral Lease Certificates of Participation, Series 2014A. Both a notice of failure to timely file such revenue forecasts, together with the revenue forecasts, were posted on EMMA on May 16, 2016.

Due to a late journal entry by a department, the State Fiscal Year 2019-20 ACFR was not released and posted on EMMA 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 on January 26, 2021, with EMMA. 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 Fitzsimons 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.

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 2021S 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: /s/ David L. Young
Treasurer, State of Colorado

APPENDIX A

**STATE OF COLORADO COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 AND STATE OF COLORADO UNAUDITED
BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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APPENDIX B

FORMS OF THE MASTER INDENTURE, THE 2021S SUPPLEMENTAL INDENTURE, THE 2021S LEASE, THE 2021S SITE LEASE AND THE 2021S SUBLEASE

(Page numbering is that of the respective documents)

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FORM OF
STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
MASTER TRUST INDENTURE
by

ZIONS FIRST NATIONAL BANK,
as Trustee

authorizing

State of Colorado
Building Excellent Schools Today
Certificates of Participation

Dated as of August 12, 2009

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**STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
MASTER TRUST INDENTURE**

This State of Colorado Building Excellent Schools Today Master Trust Indenture (this “Master Indenture”) is dated as of August 12, 2009, and is executed and delivered by Zions First National Bank, 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 Projects. The Certificates evidence undivided interests in the right to receive Lease 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, remised, released, conveyed, set over and confirmed, and by these presents does grant, assign, pledge, bargain, sell, alienate, remise, release, 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 Leased Property and the tenements, hereditaments, appurtenances, rights, privileges and immunities thereto belonging or appertaining, subject to the terms

of each Lease including, but not limited to, the terms of such Lease permitting the existence of Permitted Encumbrances;

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

(c) all Base Rent payable pursuant to each Lease;

(d) all Federal Direct Payments with respect to the interest component of Base Rentals paid to the Trustee pursuant to any Lease;

(e) the State's Purchase Option Price paid pursuant to each Lease, if paid (including any Net Proceeds used to pay the State's Purchase Option Price);

(f) 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

(g) 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.

The Subleases, the Matching Money Bonds and moneys paid by the Sublessees pursuant to the Subleases and the Matching Money Bonds are not included in the Trust Estate.

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 the Assistance Fund, including any moneys appropriated or transferred by the Colorado General Assembly to the Assistance Fund in accordance with the Act from any legally available source if the amount of money in the Assistance Fund that is available to pay Rent will be insufficient to cover the full amount of Rent. All obligations of the State under the Leases 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 Leases

are subject to appropriation by the Colorado 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 20(4) of Article X of the State Constitution. In the event the State does not renew any Lease, the sole security available to the Trustee, as lessor under the Leases, shall be the Leased Property leased under the Leases, subject to the terms of the Leases.

(b) The Certificates evidence undivided interests in the right to receive Lease Revenues and shall be payable solely from the Trust Estate. No provision of the Certificates, the Indenture, any Lease, any Site Lease, any Sublease, any Matching Moneys Bond 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 Lease 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 Building Excellent Schools Today Certificates of Participation, followed by the Tax Treatment Designation of such Series (omitting the word "Certificates"), a year and letter that corresponds to the year and letter in the name of the Lease 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 Operations Center of the Trustee. 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 Tax Treatment Designation, 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 Lease and Lease or amendments to an existing Site Lease and Lease adding any new Leased Property and/or amendments to an existing Site Lease and Lease removing or modifying any Leased Property 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 the property added to the Leased Property in connection with the execution and delivery of such Series of Certificates is at least equal to 90% of the principal amount of such Series of Certificates; and (ii) no Event of Default or Event of Nonappropriation exists under any Lease. The certification of the State pursuant to clause (i) may be given based and in reliance upon certifications by the Sublessees that leased the Leased Property to the Trustee pursuant to Site Leases.

(e) The Trustee has received evidence that the execution and delivery of the Series of Certificates will not result in a reduction of the then current rating by any Rating Agency of any Outstanding Certificates, which evidence may take the form of a letter from a Rating Agency, a certificate of a financial advisor to the State or a certificate of an underwriter of Certificates.

(f) 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 the Project Account established for each Sublessee, the amount, if any, of the Allocated Investment Earnings for 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.

(g) 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 Lease, Lease, Amendment to Site Lease, Lease 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, any Site Lease, any Lease, any amendment to any existing Site Lease, Lease 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.

Section 2.11. Principal Strips, Interest Strips and Tax Credit Strips. If and as provided in a Supplemental Indenture, (a) Principal Strips and Interest Strips, (b) Principal Strips and Tax Credit Strips or (c) Principal Strips, Interest Strips and Tax Credit Strips may be authorized, executed, authenticated and delivered in lieu of or to replace any Certificate. If Principal Strips and Interest Strips and/or Tax Credit Strips are authorized, executed, authenticated and delivered in lieu of or to replace a Certificate, (i) the rights of the Owners of such Certificate shall be allocated among the owners of the Principal Strips and Interest Strips and/or Tax Credit Strips as provided in such Supplemental Indenture and (ii) all references to such Certificate in the Indenture, the Leases, the Subleases, the Site Leases and all related documents shall, except as otherwise provided in such Supplemental Indenture, be deemed to refer to the owners of the Principal Strip and Interest Strip and/or the Tax Credit Strip authorized, executed, authenticated and delivered in lieu of or to replace such Certificate, collectively.

ARTICLE III

FUNDS AND ACCOUNTS

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 Building Excellent Schools Today Certificates of Participation Certificate Fund (the “Certificate Fund”) and, within such fund, the Interest Account; the Principal Account; the Purchase Option Account; and a separate Sinking Fund Account for each Series of Qualified School Construction Certificates, the names of each of which Sinking Fund Accounts shall include the same Series designation as the related Series of Qualified School Construction Certificates.

(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 a Lease; (C) any Federal Direct Payment received with respect to the interest component of Base Rent payable by the State under any Lease; (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 Lease; (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 Lease 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 Lease to purchase a portion of (but not all) the Leased Property 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 Leases to purchase all the Leased Property subject to all Leases.

(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 Qualified School Construction Certificates of any Series shall be paid solely from the Sinking Fund Account with the same Series designation as such Series of Qualified School Construction Certificates;

(B) 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 Lease to purchase a portion of (but not all) the Leased Property shall be paid solely from the Purchase Option Account;

(C) except as otherwise provided in clause (A) or (B) 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

(D) 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 Leases to purchase all the Leased Property subject to all Leases.

(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 Leases to purchase a part or all of the Leased Property, 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 Lease shall be used only to pay the redemption price of Certificates with the same Series designation as such Lease;

(B) the portion of the redemption price of Qualified School Construction Certificates of any Series representing Funded Principal shall be paid solely from the Sinking Fund Account with the same Series designation as such Series of Qualified School Construction Certificates; and

(C) 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 Leases to purchase all the Leased Property subject to all Leases.

(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 Qualified School Construction Fund 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 Qualified School Construction 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 Leases to purchase all the Leased Property subject to all Leases.

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 Building Excellent Schools Today Capital Construction Fund (the “Capital Construction Fund”), and, within such fund, the Costs of Issuance Account and a separate Project Account for each Project that is being financed for each Sublessee with proceeds of each Series of Certificates. The names of the Project Accounts for the Projects to be financed with proceeds of each Series of Certificates shall include the Series designation of such Series of Certificates and the name of the Sublessee for which the Project is being financed. 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 Accounts in the amounts designated by the State in connection with the execution and delivery of such Series of Certificates. When the State designates the amount of proceeds from the sale of a Series of Certificates to be deposited into a Project Account, it shall also designate the Allocated Investment Earnings, if any, for such Project Account.

(ii) ***Earnings from Investment of Project Accounts.*** Earnings from the investment of moneys in all the Project Accounts when received shall be aggregated and allocated among the Project Accounts in proportion to the ratio of (A) the Allocated Investment Earnings for each Project Account that have not previously been deposited into such Project Account pursuant to this paragraph to (B) the Allocated Investment Earnings for all Project Accounts that have not previously been deposited into the Project Accounts pursuant to this paragraph. The amount of investment earnings so allocated to a Project Account shall be deposited into such Project Account until the amount so deposited equals the Allocated Investment Earnings for such Project Account. After the amount of investment earnings allocated to a Project Account exceeds the Allocated Investment Earnings for such Project Account, the excess shall be deposited into the State Expense Fund, except that any such investment earnings resulting from the investment of proceeds of any Series of Qualified School Construction Certificates, at the direction of the State, (I) shall be transferred to another Project Account or the Assistance Fund and, subject to terms of the tax compliance or similar certificate executed by the State in connection with the execution and delivery of such Series of Qualified School Construction Certificates, shall be used to pay the costs of a capital construction project as defined in the Act; or (II) shall be used in any other manner directed by the State upon receipt of an opinion of Bond Counsel that such transfer or use will not cause an Adverse Tax Event.

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

(iv) *Transfers Between Project Accounts at Direction of State.* Notwithstanding any other provision hereof, the State may, at any time but subject to the terms of the tax compliance or similar certificate executed by the State in connection with the execution and delivery of the Series of Certificates from the Project Account from which the moneys are transferred, direct the Trustee to transfer any moneys held in any Project Account to any other Project Account or to the Assistance Fund to pay the costs of a capital construction project as defined in the Act if the State determines that (A) the sum of the money remaining in, and money expected to be deposited in the future into, the Project Account from which the transfer is made will be sufficient to pay the unpaid Costs of the Project for the Project for which such Project Account was established or (B) no further Costs of the Project will be funded from the Project Account from which the transfer is made.

(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 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 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 Lease to purchase all the Leased Property subject to all Leases.

(d) *Use of Moneys in Project Accounts.*

(i) Moneys held in each Project Account shall be disbursed to the Sublessee for whose Project the Account was established to pay, or reimburse the Sublessee for, Costs of the Project for which such Project Account was established upon receipt of a requisition in substantially the form attached hereto as Appendix A, signed by the Sublessee Representative and the State Representative.

(ii) Upon the receipt by the Trustee of the Completion Certificate for the Project, the remaining moneys held in such Project Account shall be transferred by the Trustee to the State Expense Fund.

(iii) Notwithstanding the foregoing, (A) the Trustee shall separately account for Available Project Proceeds of each Series of Qualified School Construction Certificates (which includes earnings from the investment of Available Project Proceeds of each Series of Qualified School Construction

Certificates); (B) Available Project Proceeds of any Series of Qualified School Construction Certificates held in any Project Account that have not been expended as of the last day of the Available Project Proceeds Expenditure Period for such Series of Qualified School Construction Certificates shall be used to pay the redemption price of Qualified School Construction Certificates of such Series in connection with an Unexpended Proceeds Redemption of such Series of Qualified School Construction Certificates; and (C) all moneys in all Project Accounts shall be (I) 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 Lease to purchase all the Leased Property subject to all Leases.

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 the State of Colorado Building Excellent Schools Today 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) earnings from the investment of moneys in the Project Accounts allocated to such Project Account pursuant to Section 3.02(b)(ii) hereof, to the extent the earnings so allocated exceed the Allocated Investment Earnings for such Project Account; (iii) 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; (iv) any moneys transferred to the State Expense Fund from a Project Account pursuant to Section 3.02(d)(ii) hereof; and (v) 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 that are not Available Project Proceeds of Qualified School Construction Certificates (which includes earnings from the investment of Available Project Proceeds of Qualified School Construction Certificates) 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 Leased Property, the Projects, the Certificates, the Leases, the Indenture, the Site Leases, the Subleases, the Matching Money Bonds 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; (C) make a deposit to the Certificate Fund, the Capital Construction Fund, the Rebate Fund or any account or subaccount of any such fund; and (D) pay the

Costs of any Project or the costs of any capital construction project as defined in the Act.

(ii) Moneys held in the State Expense Fund that are Available Project Proceeds of any Series of Qualified School Construction Certificates (which includes earnings from the investment of Available Project Proceeds of Qualified School Construction Certificates) shall be applied as directed in writing by the State, subject to the terms of the tax compliance or similar certificate executed by the State in connection with the execution and delivery of such Series of Qualified School Construction Certificates, to pay the Costs of any Project or the costs of a capital construction project as defined in the Act.

(iii) Notwithstanding the foregoing, (A) the Trustee shall separately account for Available Project Proceeds of each Series of Qualified School Construction Certificates (including earnings from the investment of Available Project Proceeds of each Series of Qualified School Construction Certificates); (B) Available Project Proceeds of any Series of Qualified School Construction Certificates held in the State Expense Fund that have not been expended as of the last day of the Available Project Proceeds Expenditure Period for such Series of Qualified School Construction Certificates shall be used to pay the redemption price of Qualified School Construction Certificates of such Series in connection with an Unexpended Proceeds Redemption of such Series of Qualified School Construction Certificates; and (C) 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 Leases to purchase all the Leased Property subject to all Leases.

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 Building Excellent Schools Today Capital Construction Fund 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 Internal Revenue Service Center, Ogden, Utah 84201. 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 Leases, 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 the 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 Leases, subject to the terms of the Leases, 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 Leases 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 Leases. 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 Project Accounts shall be deposited as provided in Section 3.02(b)(ii) hereof.

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

(iii) 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 and hold, in trust and as Trustee, the Leased Property leased to the Trustee pursuant to the Site Leases, to lease the Leased Property to the State pursuant to the Leases and to execute, deliver and perform its obligations under the Lease, the Indenture and the Site Leases.

(b) The execution, delivery and performance of the Leases, the Indenture and the Site Leases and the ownership of the Leased Property by the Trustee have been duly authorized by the Trustee.

(c) The Leases, the Indenture and the Site Leases 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 Leases, the Indenture the Site Leases and the ownership of the Leased Property 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 Leases, the Indenture, the Subleases or the Site Leases, 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 Leases, the Indenture, the Subleases or the Site Leases or to own the Leased Property.

(f) The Trustee acknowledges and recognizes that the Leases 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 Leases 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 Leases 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, Lease, Sublease, Matching Money Bond 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 Leased Property. 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 Lease, except failure by the State to cause to be made any of the payments to the Trustee required to be made under such Lease, 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, Federal Direct Payments 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 Lease or any Site Lease.

(p) The Trustee shall provide to any Sublessee at its request an accounting of all receipts and disbursements from such Sublessee's Project Account.

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 Leases or the Site Leases 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 or Adverse Federal Direct Payment 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 Leased Property. As long as there are any Outstanding Certificates, and as except otherwise permitted by the Indenture and except as the Leases otherwise specifically require, the Trustee shall not sell or otherwise dispose of any of the Leased Property 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 Leases and Site Leases. The Trustee hereby covenants for the benefit of the Owners that the Trustee will observe and comply with its obligations under the Leases and the Site Leases. Wherever in any Lease or Site Lease it is stated that the Trustee shall be notified or wherever any Lease or Site Lease gives the Trustee some right or privilege, such part of such Lease or Site Lease 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 Leased Property 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 Lease Term for each Lease, the Trustee shall be entitled to compensation in the form of Additional Rent in accordance with such Lease. 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 Leases and lessee under the Site Leases, 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 Leased Property 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 Leases and the Site Leases, 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 Leased Property to the successor trustee, (B) an instrument in which the previous trustee resigns as trustee hereunder, as lessor under the Leases and as lessee under the Site Leases 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 Leased Property, the Trust Estate, the Indenture, the Leases and the Site Leases 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 Lease and/or the Site Leases 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 Lease, subject to the terms of the Subleases granting each Sublessee the option to purchase the Leased Property subject to its Sublease:

(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 Leases (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 Sublessee of Site Lease. Upon a material breach by the Site Lessor of a Site Lease, 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 Leases or the Site Leases unless (a) an Event of Default or Event of Nonappropriation or a breach by the Sublessee of a Site Lease 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 Lease or Site Lease or to control any proceeding relating to the Indenture or any Lease or Site Lease; 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 Leased Property, 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 Leases, the Site Leases 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 a Sublessee of a Site Lease 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 a Sublessee of a Site Lease shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Trustee, 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 a Sublessee of a Site Lease 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 a Sublessee of a Site Lease 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 a Sublessee of a Site Lease 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 a Sublessee of a Site Lease 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 a Sublessee of a Site Lease 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 Leases, the Site Leases 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 Leased Property by Owner; Application of Certificates Toward Purchase Price. Upon the occurrence of an Event of Default or Event of Nonappropriation and the sale or lease of the Leased Property by the Trustee pursuant to a Lease (but subject to the Sublessees' purchase options set forth in the Subleases), any Owner may bid for and purchase or lease the Leased Property; and, upon compliance with the terms of sale or lease, 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 lease, the Trustee may take any further lawful action with respect to the Leased Property 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 Lease 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 (ii) 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 9.05 of the 2009A Lease and similar provisions of other Leases;

(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) Moneys in each Sinking Fund Account shall be used to pay the unpaid principal of Qualified School Construction Certificates with the same Series designation as such Sinking Fund Account. If the amount in a Sinking Fund Account is not sufficient to pay all principal due on the School Construction Certificates with the same Series designation as such Sinking Fund Account, the amount available shall be used to pay unpaid principal of the Qualified School Construction Certificates with the same Series designation as such Sinking Fund Account in the order in which such principal was originally due, with unpaid principal due on the earliest principal payment dates paid first. If the amount available in a Sinking Fund Account is not sufficient to pay all unpaid principal due on the Qualified School Construction Certificates with the same Series designation as such Sinking Fund Account on a particular principal payment date, the amount available shall be used to pay principal of the Owners of the Qualified School Construction Certificates with the same Series designation as such Sinking Fund Account in proportion to the amount of unpaid principal due to such Owners on such principal payment date. For purposes of this paragraph, the principal component of the redemption price of Qualified School Construction Certificates subject to mandatory sinking fund redemption shall be treated as principal.

(ii) All other moneys available to make payments to the Owners shall be applied in the following order of priority:

(A) *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.

(B) *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.

(C) *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 Leases to purchase all the Leased Property subject to all Leases 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 Leases or the Site Leases;

(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 Leased Property, to release, substitute or modify Leased Property or to amend the description of Leased Property in accordance with the Leases;

(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 or Principal Strips, Interest Strips or Tax Credit Strips pursuant to Article II hereof;

(g) to facilitate the Stripping of Certificates;

(h) to effect or facilitate any change to avoid an Adverse Tax Event or Adverse Federal Direct Payment 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;

(i) 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

(j) to modify any Certificate to conform to any Supplemental Indenture or to any amendment to the Master Indenture, any Supplemental Indenture, any Lease or any Site Lease.

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, without the consent of the Owner of such Certificate;

(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 Leases or Site Leases 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 Lease or Site Lease, as the State determines is required:

- (a) by the provisions of the Leases, the Indenture or the Site Leases;
- (b) for the purpose of curing any ambiguity or formal defect or omission in the Leases, the Indenture or the Site Leases;
- (c) in order more precisely to identify the Leased Property; or
- (d) to add additional Leased Property, to release, substitute or modify Leased Property or to amend the description of Leased Property in accordance with the Leases or the Site Leases;
- (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 Lease or Site Lease 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 Leases 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 Leased Property and (iii) does not cause an Adverse Tax Event;
- (j) to effect any change to any Project permitted by the Act;
- (k) to effect any other change in any Lease or Site Lease 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 Leases or Site Leases 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 Lease or Site Lease 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 Lease or Site Lease, 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 Lease or Site Lease. As a condition to executing any amendment to any Lease or Site Lease, 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 Lease or Site Lease, 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.

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: Deputy State Treasurer, facsimile number: 303-866-2123, electronic mail address: eric.rothaus@state.co.us, with a copy to Colorado State Controller, 633 Seventeenth Street, Suite 1500, Denver, Colorado 80203, Attention: David J. McDermott, facsimile number: 303-866-4233, electronic mail address:

david.mcdermott@state.co.us; if to the Trustee, to Zions First National Bank, 1001 Seventeenth Street, Suite 1050, Denver, Colorado 80202, Attention: Corporate Trust Services, facsimile number: 720-947-7480, electronic mail address: corporatetrust@zionsbank.com; and if to any Sublessee, to the notice address set forth in such Sublessee's Sublease. 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 Leased Property. The legal description of the land included in the Leased Property subject to the 2009A Lease is set forth in Appendix B to the Series 2009A Supplemental Indenture. As additional Leased Property is leased pursuant to a Lease other than the 2009A Lease, legal descriptions of the land included in such additional Leased Property will be set forth in such Lease and in the Supplemental Indenture with the same Series designation as such Lease. If the land included in the Leased Property subject to a Lease is modified pursuant to the terms of such Lease or other land is substituted for land included in Leased Property subject to any Lease pursuant to the terms of such Lease, the legal descriptions set forth in the applicable Supplemental Indenture will be amended to describe the land included in such Leased Property 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.

[remainder of page intentionally left blank]

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

ZIONS FIRST NATIONAL BANK, as Trustee

By _____
Authorized Signatory

[Signature Page to Master Indenture]

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

The foregoing instrument was acknowledged before me this 11th day of August, 2009, by Stephanie Nicholls, as an authorized signatory of Zions First National Bank.

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

[SEAL]

Notary Public

My commission expires:

APPENDIX A

FORM OF PROJECT ACCOUNT REQUISITION

[omitted for form of Master Indenture appended to Official Statement]

APPENDIX B

LEGAL DESCRIPTION OF LAND INCLUDED IN LEASED PROPERTY

[omitted for form of Master Indenture appended to Official Statement]

APPENDIX C

GLOSSARY

[omitted for form of Master Indenture appended to Official Statement; see Glossary appended to Form of Series 2018N Supplemental Indenture, which amends and restates in its entirety the Glossary to this Master Indenture]

FORM OF

**STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
SERIES 2021S SUPPLEMENTAL TRUST INDENTURE**

by

ZIONS BANCORPORATION, NATIONAL ASSOCIATION
as Trustee

authorizing

**State of Colorado
Building Excellent Schools Today
Certificates of Participation
Tax-Exempt Series 2021S**

Dated as of December 9, 2021

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**STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
SERIES 2021S SUPPLEMENTAL TRUST INDENTURE**

This State of Colorado Building Excellent Schools Today Series 2021S Supplemental Trust Indenture (this “Series 2021S Supplemental Indenture”) is dated as of December 9, 2021, and is executed and delivered by, Zions Bancorporation, 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 Building Excellent Schools Today Master Trust Indenture dated as of August 12, 2009, as such Glossary is amended, supplemented and restated by Appendix D hereto and as it 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 2021S Supplemental Indenture is a Supplemental Indenture and is being executed to provide additional terms applicable to the Series 2021S Certificates.

AGREEMENT

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

ARTICLE I

SERIES 2021S 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 2021S Supplemental Indenture: State of Colorado Building Excellent Schools Today Certificates of Participation, Tax-Exempt Series 2021S.

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

- (a) The Series 2021S Certificates are hereby designated as Tax-Exempt Certificates.
- (b) The aggregate principal amount of the Series 2021S Certificates shall be \$150,415,000.
- (c) The Authorized Denominations of the Series 2021S Certificates are \$5,000 and any integral multiple thereof.
- (d) The Series 2021S Certificates executed and delivered on the date the Series 2021S 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 2021S Certificate executed and delivered upon transfer and exchange of another Series 2021S 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 2021S Certificate shall bear interest from such Interest Payment Date or unless the date of authentication precedes the first Interest Payment Date in which case such Series 2021S Certificate shall bear interest from the date the Series 2021S Certificates are first executed and delivered.

(e) Interest on the Series 2021S Certificates shall be calculated based on a 360-day year consisting of twelve 30-day months.

(f) The Series 2021S Certificates shall mature on the dates and in the principal amounts, and shall bear interest at the per annum rates, set forth below:

<u>Maturity Date</u> <u>(March 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2022	\$6,115,000	5.000%
2023	1,505,000	5.000
2024	1,250,000	5.000
2025	1,375,000	5.000
2026	1,445,000	5.000
2027	1,530,000	5.000
2028	1,605,000	5.000
2029	1,690,000	5.000
2030	1,780,000	5.000
2031	2,150,000	5.000
2032	2,710,000	5.000
2033	3,695,000	5.000
2034	4,375,000	5.000
2035	4,920,000	5.000
2036	5,160,000	4.000
2037	5,370,000	4.000
2038	5,585,000	4.000
2039	5,805,000	4.000
2040	6,035,000	4.000
2041	6,280,000	4.000
2042	5,925,000	4.000
2043	4,460,000	4.000
2044	4,640,000	4.000
2045	5,430,000	4.000
2046	59,580,000	4.000

Section 1.03. Redemption.

(a) ***Extraordinary Redemption Upon Occurrence of Event of Nonappropriation or Event of Default.*** The Series 2021S 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 2021S 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 2021S 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 2021S 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, provided that available moneys in any Sinking Fund Account shall be allocated only among Qualified School Construction Certificates that are Sinking Fund Certificates with the same Series designation as such Sinking Fund Account. **The payment of the redemption price of any Series 2021S 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 2021S Certificate and such other Certificate, and no Owner of any such Series 2021S 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, immediately upon the occurrence of an Event of Nonappropriation or an Event of Default under any Lease, notify the Owners of the Series 2021S 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 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 of the Series 2021S 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 2021S Certificates and other Certificates that are subject to redemption, the Trustee shall (aa) immediately 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, immediately 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) ***Mandatory Sinking Fund Redemption.***

(i) The Series 2021S Certificates maturing on March 15, 2046 bearing interest at a per annum interest rate of 4.00% are subject to mandatory sinking fund redemption on March 15 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. The Series 2021S Certificates maturing on a particular date shall be selected for redemption on each mandatory sinking fund redemption date by lot from all remaining Series 2021S Certificates maturing on such date and bearing such rate, rounded to the nearest Authorized Denomination.

Mandatory Sinking Fund Redemption Date (March 15)	Principal Amount
2042	\$5,925,000
2043	4,460,000
2044	4,640,000
2045	5,430,000
2046*	59,580,000

* Maturity date

At its option, to be exercised on or before the forty-fifth day next preceding each mandatory sinking fund redemption date, the State may (i) deliver to the Trustee for cancellation any Series 2021S Certificates with the same maturity date and interest rate as the Series 2021S 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 2021S Certificates with the same maturity date and interest rate as the Series 2021S 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 2021S 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 2021S Certificates to be redeemed as part of such mandatory sinking fund redemption on such dates shall be accordingly reduced.]

(c) ***Optional Redemption.*** The Series 2021S 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 March 15, 2031, at a redemption price equal to the principal amount of the Series 2021S Certificates to be redeemed (with no premium), plus accrued interest to the redemption date.

Section 1.04. Form of Certificates. The Series 2021S 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 2021S Supplemental Indenture and is incorporated herein as if set forth in full in the body hereof.

ARTICLE II

SEPARATE ACCOUNTS AND SUBACCOUNTS FOR EACH SERIES OF CERTIFICATES

Section 2.04. 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 Lease Revenues paid with respect to each Series of Certificates, the proceeds of each Series of 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 designation of the appropriate Series of Certificates. The following are the separate accounts and subaccounts to be created:

(a) if the Costs of a Participating K-12 Institution's Project are to be funded from proceeds of more than one Series of Certificates, a separate Project Account for each such Series of Certificates;

(b) separate accounts of the State Expense Fund and the Rebate Fund;

(c) separate Sinking Fund Accounts for each Series of Qualified School Construction Certificates; and

(d) separate subaccounts of the Interest Account, the Principal Account, the Purchase Option Account and the Costs of Issuance Account.

Section 2.05. Separate Project Accounts. Notwithstanding any provision of Article III of the Master Indenture, if more than one Project Account is established for the payment of Costs of a Participating K-12 Institution's Project, moneys shall be disbursed from such Project Accounts to pay Costs of the Participating K-12 Institution's Project in the order determined by the State.

ARTICLE III

AMENDMENTS TO INDENTURE

Section 3.04. Amendment of Section 3.01(c)(ii)(A) of the Master Indenture. Section 3.01(c)(ii)(A) of the Master Indenture is amended to read as follows:

(A) principal of Qualified School Construction Certificates that are Sinking Fund Certificates shall be payable solely from the Sinking Fund Account with the same Series designation as such Series of Qualified School Construction Certificates;

Section 3.05. Amendment of Section 3.02(d)(i) of the Master Indenture. Section 3.02(d)(i) of the Master Indenture is amended to read as follows:

(i) Moneys held in each Project Account shall be disbursed to the Sublessee for whose Project the Account was established to pay, or reimburse the Sublessee for, Costs of the Project for which such Project Account was established upon receipt of a requisition in substantially the form attached hereto as Appendix A, signed by the Sublessee Representative and the State Representative. If a separate account has been created in the State Expense Fund (A) from which moneys are to be transferred to a Project Account that has been established to pay, or reimburse the Sublessee for, Costs of a Project to the extent moneys in such Project Account are not sufficient to pay, or reimburse the Sublessee for, Costs of such Project and (B) into which future earnings from the investment of moneys in such Project Account and/or other Project Accounts are to be deposited, then, at the written direction of the State, moneys in such Project Account also may be transferred to the Interest Account or the Principal Account of the Certificate Fund in an amount up to the amount of future earnings that are to be deposited into such Project Account.

Section 3.06. Amendment of Section 3.03 of the Master Indenture. Section 3.03 of the Master Indenture is amended by adding the following new subsection (d):

(d) New Subaccounts of Series 2010F Account of State Expense Fund. The Trustee shall create three new subaccounts within the Series 2010F Account of the State Expense Fund: the State Expense Fund Series 2010F Account Subaccount for Center Joint Consolidated School District No. 26 Account, the State Expense Fund Series 2010F Account Subaccount for School District No. 1 in the County of Adams (MAPLETON 1) and the State Expense Fund Series 2010F Account Subaccount for Akron School District No. R-1. Notwithstanding any other provision hereof:

(i) Future earnings from the investment of moneys in the Project Accounts funded with the proceeds of the 2010C Certificates, the 2010F Certificates, the 2011G Certificates and any additional Tax-Exempt Certificates shall be deposited into the following subaccounts, on a pro rata basis, until the balances in such subaccounts are equal to the amounts indicated: \$482,519.98 into the State Expense Fund Series 2010F Account Subaccount for Center Joint Consolidated School District No. 26, \$32,186.19 into the State Expense Fund Series 2010F Account Subaccount for District No. 1 in the County of Adams (MAPLETON 1) and \$381,312.70 into the State Expense Fund Series 2010F Account Subaccount for Akron School District No. R-1.

(ii) Until the Trustee receives a Completion Certificate for the related Project, moneys in the following subaccounts of the State Expense Fund Series 2010F Account shall be transferred to the following Series 2010F Project Accounts: (A) moneys in the State Expense Fund Series 2010F Account Subaccount for Center Joint Consolidated School District No. 26 shall be transferred to the Series 2010F Project Account of Center Joint Consolidated School District No. 26 to the extent moneys in such Project Account are not sufficient to pay, or reimburse Center Joint Consolidated School District No. 26 for, Costs of its Project; (B) moneys in the State Expense Fund Series 2010F Account Subaccount for School District No. 1 in the County of Adams (MAPLETON 1) shall be transferred to the Series 2010F Project Account of School District No. 1 in the County of Adams

(MAPLETON 1) to the extent moneys in such Project Account are not sufficient to pay, or reimburse School District No. 1 in the County of Adams (MAPLETON 1) Center Joint for, Costs of its Project; and (C) moneys in the State Expense Fund Series 2010F Account Subaccount for Akron School District No. R-1 shall be transferred to the Series 2010F Project Account of Akron School District No. R-1 to the extent moneys in such Project Account are not sufficient to pay, or reimburse Akron School District No. R-1 for, Costs of its Project.

(iii) After the Trustee receives a Completion Certificate for the related Project, the remaining moneys in the subaccount of the State Expense Fund Series 2010F Account for the related district shall be transferred to the Series 2010F Account of the State Expense Fund and shall be used to pay the Costs of any Project or the costs of any capital construction project as defined in the Act that qualify as capital expenditures for federal income tax purposes.

Section 3.07. Amended and Restated Form of Project Account Requisition. The form of Project Account Requisition attached as Appendix A to the original Master Indenture, as previously amended, is hereby amended and restated in its entirety in Appendix B hereto.

Section 3.08. Amended and Restated Glossary. In accordance with Section 8.01 of the Master Indenture, the Trustee hereby amends, supplements and restates the Glossary as set forth in Appendix D hereto based on the written direction by the State in the Series 2021S Lease and the written certification by the State in the 2021S Lease that, after such amendment, supplement and restatement the Glossary is accurate and that such amendment, supplement and restatement does not materially modify the substantive provisions of the Indenture, the Leases or the Site Leases.

Section 3.09. References to Subleases and Sublessees. In order to accommodate the leasing of Leased Property to the Trustee pursuant to a Site Lease by a Participating K-12 Institution's Chartering Authority and the financing of Projects for Participating K-12 Institutions that are not Sublessees pursuant to Participation Agreements, whenever, in the body of the Master Indenture or any appendix to the Master Indenture, except Appendices A and C to the original Master Indenture (which are amended and restated in their entirety pursuant to Section 3.02 and 3.03 hereof):

(a) the term "Sublessee" is used to refer to the lessor under a Site Lease, such term shall be replaced with "Site Lessor";

(b) the term "Sublessee" is used to refer to a Project of a Sublessee, the Project Account of a Sublessee, the financing of a Project for a Sublessee, the Costs of a Sublessee's Project or payments by a Sublessee pursuant to a Sublease, such term shall be replaced with "Participating K-12 Institution"; and

(c) the term "Sublease" is used, such term shall be replaced with "Sublease or Participation Agreement," except where the term Sublease is used with respect to the terms of a Sublease granting a Sublessee the option to purchase the Leased Property subject to its Sublease

(because a Participating K-12 Institution that is not a Sublessee does not have the option to purchase any Leased Property).

Section 3.10. Manner of Giving Notices. The electronic mail address for notices to the State pursuant to Section 9.09 of the Master Indenture is hereby amended to read: charles.scheibe@state.co.us. The electronic mail address and facsimile number for notices to the Trustee pursuant to Section 9.09 of the Master Indenture are hereby amended to read: denvercorporatetrust@zionsbank.com and 855.547.6178, respectively.

Section 3.11. Separate Project Accounts. Section 2.02 of the Series 2010B-C Supplemental Indenture, Section 3.02 of the Series 2010D-F Supplemental Indenture and Section 2.02 of the Series 2011G Supplemental Indenture are amended to read as follows:

Notwithstanding any provision of Article III of the Master Indenture, if more than one Project Account is established for the payment of Costs of a Participating K-12 Institution's Project, moneys shall be disbursed from such Project Accounts to pay Costs of the Participating K-12 Institution's Project in the order determined by the State.

ARTICLE IV

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 2021S Supplemental Indenture as if set forth in full herein.

ARTICLE V

MISCELLANEOUS

Section 5.04. Titles, Headings, Etc. The titles and headings of the articles, sections and subdivisions of this Series 2021S 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 5.05. Interpretation and Construction. This Series 2021S 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 2021S Supplemental Indenture. For purposes of this Series 2021S Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this Series 2021S Supplemental 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 Series 2021S Supplemental Indenture. The words "herein," "hereof," "hereto," "hereby," "hereunder" and other words of similar import refer to this Series 2021S Supplemental 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 applicable to governmental entities and subject to statutory exceptions and modifications, 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 5.06. Legal Description of Land Included in Leased Property.

(a) The legal description of the land included in the Leased Property subject to the 2021S Lease is set forth in Appendix C hereto. If the land included in the Leased Property subject to the 2021S Lease is modified pursuant to the terms of the 2021S Lease or other land is substituted for land included in the Leased Property subject to the 2021S Lease pursuant to the terms of the 2021S Lease, the legal description set forth in Appendix C hereto will be amended to describe the land included in the Leased Property subject to the 2021S Lease after such modification or substitution.

(b) The Leased Property subject to the 2021S Lease described in Appendix C hereto, the Leased Property subject to the 2009A Lease described in Appendix B to the Master Indenture and Appendix B to the Series 2009A Supplemental Indenture, the Leased Property subject to the 2010B-C Lease described in Appendix D to the Series 2010B-C Supplemental Indenture, the Leased Property subject to the 2010D-F Lease described in Appendix E to the Series 2010D-F Supplemental Indenture, the Leased Property subject to the 2012H Lease described in Appendix C to the Series 2012H Supplemental Indenture, the Leased Property subject to the 2013I Lease described in Appendix C to the Series 2013I Supplemental Indenture, the Leased Property subject to the 2015 Lease described in Appendix C to the 2015 Supplemental Indenture, the Leased Property subject to the 2017J Lease described in Appendix C to the 2017J Supplemental Indenture, the Leased Property subject to the 2017K Lease described in Appendix B to the Series 2017K Supplemental Indenture, the Leased Property subject to the 2018L Lease described in Appendix B to the Series 2018L Supplemental Indenture, the Leased Property subject to the 2018M Lease described in Appendix B to the Series 2018M Supplemental Indenture, the Leased Property subject to the 2018N Lease described in Appendix C to the Series 2018N Supplemental Indenture, the Leased Property subject to the 2019O Lease described in Appendix C to the Series 2019O Supplemental Indenture, the Leased Property subject to the 2019P Lease described in Appendix B to the Series 2019P Supplemental Indenture, the Leased Property subject to the 2019Q Lease described in Appendix B to the Series 2019Q Supplemental Indenture and the Leased Property subject to the 2020R Lease described in Appendix C to the Series 2020R Supplemental Indenture (as well as any additional Leased Property subject to any additional Building Excellent Schools Today Lease Purchase Agreement), are part of the Leased Property that is subject to the Indenture.

Accordingly, this Section and Appendix C hereto are amendments to the Master Indenture, the Series 2009A Supplemental Indenture, the Series 2010B-C Supplemental Indenture, the Series 2010D-F Supplemental Indenture, the Series 2012H Supplemental Indenture, the Series 2013I Supplemental Indenture, the 2015 Supplemental Indenture, the Series 2017J Supplemental Indenture, the 2017K Supplemental Indenture, the Series 2018L Supplemental Indenture, the Series 2018M Supplemental Indenture, the Series 2018N Supplemental Indenture, the Series 2019O Supplemental Indenture, the Series 2019P Supplemental Indenture, the Series 2019Q Supplemental Indenture and the Series 2020R Supplemental Indenture and to the legal description of land included in the Leased Property described in Appendix B to the Master Indenture, Appendix B to the Series 2009A Supplemental Indenture, Exhibit D to the Series 2010B-C Supplemental Indenture, Exhibit E to the Series 2010D-F Supplemental Indenture, Exhibit C to the Series 2012H Supplemental Indenture, Exhibit C to the Series 2013I Supplemental Indenture, Exhibit C to the 2015 Supplemental Indenture, Exhibit B to the Series 2017K Indenture, Appendix B to the Series 2018L Supplemental Indenture, Appendix B to the Series 2018M Supplemental Indenture, Appendix C to the Series 2018N Supplemental Indenture, Appendix C to the Series 2019O Supplemental Indenture, Appendix B to the Series 2019P Supplemental Indenture, Appendix B to the Series 2019Q Supplemental Indenture and Appendix C to the Series 2020R Supplemental Indenture, and the Leased Property subject to the Master Indenture, the 2009A Supplemental Indenture, the Series 2010B-C Supplemental Indenture, the Series 2010D-F Supplemental Indenture, the Series 2012H Supplemental Indenture, the Series 2013I Supplemental Indenture, the 2015 Supplemental Indenture, the Series 2017J Supplemental Indenture, the Series 2017JK Supplemental Indenture, the Series 2018L Supplemental Indenture, the Series 2018M Supplemental Indenture, the Series 2018N Supplemental Indenture, the Series 2019O Supplemental Indenture, the Series 2019P Supplemental Indenture, the Series 2019Q Supplemental Indenture, the Series 2020R Supplemental Indenture and this Series 2021S Supplemental Indenture include all of (i) the property described in Appendix B to the Master Indenture and Appendix B to the Series 2009A Supplemental Indenture, (ii) the property described in Appendix D to the Series 2010B-C Supplemental Indenture, (iii) the property described in Appendix E to the Series 2010D-F Supplemental Indenture, (iv) the property described in Appendix C to the Series 2012H Supplemental Indenture, (v) the property described in Appendix C to the Series 2013I Supplemental Indenture, (vi) the property described in Appendix C to the 2015 Supplemental Indenture, (vii) the property described in Appendix C to the Series 2017J Supplemental Indenture, (viii) the property described in Appendix B to the Series 2017K Supplemental Indenture, (ix) the property described in Appendix B to the Series 2018L Supplemental Indenture, (x) the property described in Appendix B to the Series 2018M Supplemental Indenture, (xi) the property described in Appendix C to the Series 2018N Supplemental Indenture, (xii) the property described in Appendix C to the Series 2019O Supplemental Indenture, (xiii) the property described in Appendix B to the Series 2019P Supplemental Indenture, (xiv) the property described in Appendix B to the Series 2019Q Supplemental Indenture, (xv) the property described in Appendix C to the Series 2020R Supplemental Indenture and (xvi) the property described in Appendix C hereto.

Section 5.07. Execution in Counterparts. This Series 2021S 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 5.08. Incorporation of Certain Miscellaneous Provisions of Master Indenture. The provisions of Sections 9.02, 9.03, 9.04, 9.05, 9.06, 9.09, 9.10, 9.11, 9.13 and 9.14 of the Master Indenture shall apply to this Series 2021S Supplemental Indenture as if set forth in full herein.

IN WITNESS WHEREOF, the Trustee has executed this Series 2021S Supplemental Indenture as of the date first above written.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee

By _____
Authorized Signatory, Zions Bank Division

[Signature Page to Series 2021S Supplemental Indenture]

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

The foregoing instrument was acknowledged before me this ____ day of December, 2021 by _____, as an authorized signatory of Zions Bancorporation, National Association.

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

[SEAL]

Notary Public

My commission expires:

APPENDIX A

FORM OF SERIES 2021S CERTIFICATE

[omitted for form of Series 2021S Supplemental indenture appended to Official Statement]

APPENDIX B

FORM OF PROJECT ACCOUNT REQUISITION

[omitted for form of Series 2021S Supplemental Indenture appended to Official Statement]

APPENDIX C

LEGAL DESCRIPTION OF LAND INCLUDED IN LEASED PROPERTY SUBJECT TO THE 2021S LEASE

[omitted for form of Series 2021S Supplemental Indenture appended to Official Statement]

APPENDIX D

GLOSSARY

“*Act*” means the Building Excellent Schools Today Act, part 1 of article 43.7 of title 22, 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 a Lease, the costs and expenses incurred by the State in performing its obligations under such Lease 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 a Participating K-12 Institution pursuant to a Sublease or Participation Agreement, the costs and expenses incurred by the Participating K-12 Institution in performing its obligations under such Sublease or Participation Agreement other than its obligations with respect to the Sublessee’s Purchase Option Price under such Sublease and its Matching Moneys obligations (whether in the form of cash, Base Rent, a Matching Moneys Bond and payments thereon or Matching Moneys Installment Payments). Amounts payable by a Participating K-12 Institution pursuant to a Sublease or Participation Agreement are not included in the Trust Estate.

“*Adverse Federal Direct Payment Event*” means an event that would (a) cause a Taxable Build America Certificate to fail to qualify as a qualified bond within the meaning of Section 54AA(g)(2) of the Code or (b) cause a Taxable Qualified School Construction Certificate to fail to qualify as a qualified tax credit bond within the meaning of Section 54A of the Code and as a qualified school construction bond with the meaning of Section 54F(a) of the Code.

“*Adverse Tax Event*” means:

(a) with respect to a Tax Credit Build America Certificate, an event that would cause the Certificate to fail to qualify as a build America bond within the meaning of Section 54AA(d) of the Code;

(b) with respect to a Taxable Build America Certificate, a Taxable Qualified School Construction Certificate or a Taxable No Tax Credit Certificate, the term Adverse Tax Event shall have no meaning;

(c) with respect to a Tax-Exempt Certificate, an event that would cause interest on the Certificate 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; and

(d) with respect to a Tax Credit Qualified School Construction Certificate, an event that would cause the Certificate to fail to qualify as a qualified school construction bond within the meaning of Section 54F of the Code.

“*Allocated Investment Earnings*” means, when used with respect to any Project Account, the dollar amount, if any, designated by the State at the time such account is created of investment

earnings from the Project Accounts that is to be deposited over time into such Project Account pursuant to Section 3.02(b)(ii) of the Master Indenture.

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

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the State from time to time concerning or relating to bribery or corruption.

“Assistance Board” means the public school capital construction assistance board created in section 22-43.7-106(1) of the Act.

“Assistance Fund” means the public school capital construction assistance fund created in section 22-43.7-104(1) of the Act.

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

“Available Project Proceeds” with respect to any Series of Qualified School Construction Certificates has the meaning assigned to it in Section 54A of the Code.

“Available Project Proceeds Expenditure Period” means, with respect to any Series of Qualified School Construction Certificates, the third anniversary of the date such Series of Qualified School Construction Certificates are originally executed and delivered or, in the event the United States Internal Revenue Service grants an extension of the three year expenditure period, the last day of the extended expenditure period.

“Base Rent” means (a) when used with respect to amounts payable by the State pursuant to a Lease, the amounts designated and paid as Base Rent under such Lease; and (b) when used with respect to amounts payable by a Participating K-12 Institution pursuant to a Sublease, the payments, if any, by the Participating K-12 Institution pursuant to such Sublease that are designated and paid as Base Rent under such Sublease. Base Rent payable by Participating K-12 Institutions pursuant to Subleases is not included in the Trust Estate.

“Base Rent Payment Date” means, when used with respect to Base Rent payable pursuant to a Lease or Sublease, one of the dates in the “Base Rent Payment Date” column in the Exhibit to such Lease or Sublease that includes the schedule for payment of Base Rent payable pursuant to such Lease or Sublease.

“Bond Counsel” means (a) as of the date of execution and delivery of the Series 2021S Certificates, Sherman & Howard, LLC, and (b) as of any other date, Sherman & Howard, LLC or such other attorneys selected by the State with nationally recognized expertise in the issuance of municipal securities that qualify as Taxable Build America Certificates, Tax Credit Build America Certificates, School Construction Certificates and Tax-Exempt Certificates.

“Building Excellent Schools Today Lease Purchase Agreement” means a lease purchase agreement entered into by the State Treasurer on behalf of the State on the instructions of the

Assistance Board to provide financial assistance as defined in the Act to Eligible K-12 Institutions pursuant to section 22-43.7-110(2) of the Act.

“*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.

“*Charter*” means the charter granted to the charter school by the Chartering School District or other contract between the charter school and the Chartering School District under which the charter school operates.

“*Chartering Authority*” means the school district or State Charter School Institute that has granted or entered into a charter school’s charter.

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

“*Colorado Recovery Act*” means the Colorado Recovery and Reimbursement Finance Act of 2009, C.R.S. title 11, article 59.7, as it may be amended from time-to-time.

“*Comparable Treasury Issue*” means, with respect to any Series of Certificates, the U.S. Treasury security selected by a Reference Dealer designated by the State as having a maturity comparable to the remaining term to maturity of the Series of Certificates to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Series of Certificates being redeemed.

“*Comparable Treasury Price*” means:

(a) with respect to the Series 2010B Certificates and any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such redemption date, as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) (or any successor release) that has become publicly available three business days prior to the date of redemption (excluding inflation-indexed securities) or (ii) if such release (or any successor release) is not published or does not contain such prices on such business day, (A) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Trustee, or the independent accounting firm or financial advisor retained for such purpose, as applicable, is unable to obtain five such Reference Treasury Dealer Quotations, the average of all such quotations; and

(b) with respect to any Series of Certificates other than the Series 2010B Certificates and any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on a day at least three Business Days but no more than 45 Business Days preceding such redemption date, as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) (or any successor release) that has become publicly available prior to the date of redemption (excluding inflation-indexed securities) or (ii) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (A) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Trustee or the independent accounting firm or financial advisor retained for such purpose, as applicable, is unable to obtain five such Reference Treasury Dealer Quotations, the average of all such quotations.

“Completion Certificate” for each Project is defined in the Sublease or Participation Agreement of the Participating K-12 Institution for which the Project was financed.

“Completion Date” for each Project is defined in the Sublease or Participation Agreement of the Participating K-12 Institution for which the Project was financed.

“Contractor” means any Person who performs Work in connection with a Project.

“Costs” or *“Costs of a Project”* means, with respect to each Project, the costs of capital construction (as defined in § 22-43.7-103(6) of the Act) of such Project that are incurred prior to the Completion Date for such Project.

“Costs of Issuance” means costs financed with the proceeds of a Series of Certificates (a) that are incurred in connection with the preparation, negotiation, execution and delivery of any Site Lease, Lease, Sublease, Participation Agreement or Matching Moneys Bond, the Indenture, the Certificates or any other document related thereto and due diligence, title and other nonconstruction costs incurred with respect to the Leased Property and the Projects, 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; and (b) (i) if proceeds of such Series of Certificates are deposited into one or more Project Accounts, such costs are incurred prior to the last Completion Date for a Project that is to be funded from one of such Project Accounts and (ii) if proceeds of such Series of Certificates are used to defease Certificates pursuant to the Master Indenture, such costs are incurred in connection with the defeasance of such Certificates.

“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.

“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 and 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 if such obligations are backed or guaranteed by the full faith and credit of the United States or the full faith and credit of the United States is pledged for the payment of principal of and interest on such obligations:
 - (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.

“DTC” means The Depository Trust Company, New York, New York, and its successors in interest and assigns.

“Eligible K-12 Institution” means an applicant as defined in the Act.

“Event of Default” means (a) when the term is used in any Lease or is used to refer to an event occurring under a Lease, an event described in Section 11.01 of such Lease; (b) when the term is used in a Sublease with respect to Leased Property subject to a Lease or when the term is used in a Sublease or Participation Agreement to refer to an event occurring under such a Sublease or Participation Agreement, an event described in Section 11.01 of such Sublease or Participation Agreement; (c) when the term is used in a Site Lease with respect to Leased Property subject to a Lease or is used to refer to an event occurring under such Site Lease, an event described in Section 10.01 of such Site Lease; and (d) when the term is used in the Indenture, an Event of Default under any Lease.

“Event of Nonappropriation” means (a) when the term is used in a Lease, an event described in Section 5.04(b) of such Lease; (b) when the term is used in a Sublease with respect to Leased Property subject to the 2009A Lease or is used to refer to an event occurring under such a Sublease, an event described in Section 5.04(b) of such Sublease; (c) when the term is used in any other Sublease with respect to Leased Property or is used in any other Sublease or in any Participation Agreement to refer to an event occurring under such Sublease or Participation Agreement, an event described in Section 6.04(b) of such Sublease or Participation Agreement; and (d) when the term is used in the Indenture, an Event of Nonappropriation under any Lease.

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

“Fair Market Value” means:

(a) with respect to real property improved pursuant to a Project after the Completion Date for the Project and with respect to Leased Property that is not improved pursuant to a Project: (i) the value of the land included in such property as estimated by the Site Lessor of such property or by the Participating K-12 Institution for which the Project has been or is being financed; *plus* (ii) the replacement value of such property determined by the Colorado School District Self Insurance Pool or other insurer providing casualty and property damage for such property;

(b) with respect to real property that is being improved pursuant to a Project before the Completion Date for the Project: (i) the sum of (A) the value of the land included in such property as estimated by the Site Lessor of such property or by the Participating K-12 Institution for which the Project is being financed; and (B) the replacement value of property to be improved pursuant to the Project determined by the Colorado School District Self Insurance Pool or other insurer providing casualty and property damage for such property, net of any reduction in the value of such property resulting from demolition or other changes to such property in connection with the Project; *plus* (ii) the sum, without duplication, of (A) the amount of proceeds of Certificates deposited and Allocated Investment Earnings deposited or expected to be deposited into the Project Account for the Project; (B) the amount expected to be expended on the Project from the Assistance Fund; (C) the amount previously expended on the Project from sources other than the Project Account or the Assistance Fund; and (D) the amount expected to be expended on the Project in the future from sources other than the Project Account or the Assistance Fund;

(c) with respect to other property, the price at which a willing seller would sell and a willing buyer would buy such property in an arm's length transaction; and

(d) if Fair Market Value is being determined for a portion of property for which a value is determined pursuant to clauses (a), (b) and/or (c) above, including, for example, where only a portion or none of the property improved pursuant to a Project is included in the Leased Property, the State's determination as to the amount of the value determined pursuant to clauses (a), (b) and/or (c) above 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.

"Federal Direct Payments" means (a) with respect to Taxable Build America Certificates, payments by the federal government in connection with the interest payable on such Certificates on each Interest Payment Date pursuant to Sections 54AA(g) and 6431 of the Code; and (b) with respect to Taxable Qualified School Construction Certificates, payments by the federal government in connection with the interest payable on each maturity of such Certificates pursuant to Sections 54F and 6431 of the Code.

"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.

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

"Governing Body" means, (a) when used with respect to a Participating K-12 Institution that is a school district, the Board of Education of such school district; (b) when used with respect to a Participating K-12 Institution that is a charter school, the board of directors or other comparable body of such charter school; and (c) when used with respect to any other Participating K-12 Institution, the legislative body, board of directors or other comparable body of such Participating K-12 Institution.

"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 each Lease, Sublease and Participation Agreement, the period commencing on the date the Lease, Sublease or Participation Agreement is executed and delivered (unless a different commencement date is specifically set forth in such Lease, Sublease or Participation 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 Component” means the rights of the Owner of a Tax Credit Build America Certificate or a Qualified School Construction Certificate to receive interest on such Certificate independently of the right to receive the principal of such Certificate.

“Interest Payment Date” (a) has no meaning with respect to the Series 2009A Certificates; (b) means, with respect to the 2010B-C Certificates, March 15 and September 15, commencing on September 15, 2010; (c) means, with respect to the 2010D-F Certificates, March 15 and September 15, commencing September 15, 2011; (d) means, with respect to the 2011G Certificates, March 15 and September 15, commencing March 15, 2012; (e) means, with respect to the 2012H Certificates, March 15 and September 15, commencing September 15, 2013; (f) means, with respect to the 2013I Certificates, March 15 and September 15, commencing September 15, 2014; (g) means, with respect to the 2017J Certificates and 2017K Certificates, March 15 and September 15, commencing March 15, 2018; (h) means, with respect to the 2018L Certificates and 2018M Certificates, March 15 and September 15, commencing March 15, 2019; (i) means, with respect to the 2018N Certificates, March 15 and September 15, commencing March 15, 2019; (j) means, with respect to the 2019O Certificates, March 15 and September 15, commencing March 15, 2020; (k) means, with respect to the 2019P Certificates, March 15 and September 15, commencing March 15, 2020; (l) means, with respect to the 2019Q Certificates, March 15 and September 15, commencing March 15, 2020; (m) means, with respect to the 2020R Certificates, March 15 and September 15, commencing March 15, 2021; (n) means with respect to the 2021S Certificates, March 15 and September 15, commencing March 15, 2022; and (o) means, with respect to other Certificates, unless this definition is amended at or prior to the execution and delivery of such other Certificates, March 15 and September 15, commencing on the first such date that is at least 75 days after the original dated date of such Certificates.

“Interest Strip” means an instrument evidencing the right to receive the interest on a Tax Credit Qualified School Construction Certificate or Tax Credit Build America Certificate independently of the right to receive the tax credit available to the owner of, and the principal of, such Qualified School Construction Certificate or Tax Credit Build America Certificate.

“Land” means (a) with respect to the land included in the Leased Property, the land described in Exhibit A to such Lease, subject to the terms of such Lease relating to modifications and substitutions of Leased Property; (b) with respect to land included in a Participating K-12 Institution’s Leased Property under a Sublease, the land described in Exhibit B to such Sublease, subject to the terms of such Sublease relating to modifications and substitutions of Leased Property; and (c) with respect to the land included in a Site Lessor’s Leased Property under a Site Lease, the land described in Exhibit A to such Site Lease, subject to the terms of such Site Lease relating to modifications and substitutions of Leased Property.

“Lease” means (a) when the term is used in a particular Building Excellent Schools Today Lease Purchase Agreement to refer to “this Lease,” the particular Building Excellent Schools Today Lease Purchase Agreement in which the term is used; (b) when the term is used in the Indenture or another document other than a Building Excellent Schools Today Lease Purchase Agreement and is not preceded by the Series designation of the Lease, any of the Building

Excellent Schools Today Lease Purchase Agreements, revenues from which are to be used to pay principal of, premium, if any, and interest on Certificates; and (c) when the terms is preceded by the Series designation of the Lease, the Building Excellent Schools Today Lease Purchase Agreement with that Series designation.

“Lease Revenues” means, (a) with respect to each Lease: (i) the Base Rent; (ii) Federal Direct Payments, if any, with respect to the interest component of Base Rentals paid to the Trustee pursuant to a Lease; (iii) 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 Lease); (iv) 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 (v) any other moneys to which the Trustee may be entitled for the benefit of the Owners; and (b) with respect to other Leases, similar amounts with respect thereto. Lease Revenues does not include amounts payable by any Participating K-12 Institution under a Sublease or Participation Agreement or amounts payable under any Matching Moneys Bond.

“Lease Term” means the period of time during which a Lease is in force and effect, as set forth in Section 3.01 of such Lease.

“Leased Property” means (a) when the term is used in a particular Lease or to refer to property leased pursuant to a particular Lease, 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 leased by the Trustee to the State pursuant to such Lease, subject to the terms of such Lease relating to modifications and substitutions of Leased Property; (b) when the term is used in a particular Sublease, 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 subleased to the Sublessee pursuant to the Sublease, subject to the terms of such Sublease relating to modifications and substitutions of Leased Property; (c) when the term is used in a particular Site Lease, 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 Site Lessor to the Trustee pursuant to such Site Lease; (d) when the term is used together with a possessive reference to a particular Sublessee or Site Lessor, 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 to such Sublessee under a Sublease or leased by such Site Lessor under a Site Lease; and (e) 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 all the Leases, subject to the terms of the Leases relating to modifications and substitutions of Leased Property.

“Master Indenture” means the State of Colorado Building Excellent Schools Today Master Trust Indenture dated as of August 12, 2009 by the Trustee, as it has been supplemented and amended by the Series 2009A Supplemental Indenture, the Series 2010B-C Supplemental Indenture, the Series 2010D-F Supplemental Indenture, the Series 2011G Supplemental Indenture, the October 2012 Supplemental Indenture, the Series 2012H Supplemental Indenture, the Series 2013I Supplemental Indenture, the 2015 Supplemental Indenture, the Series 2017J Supplemental Indenture, the Series 2017K Supplemental Indenture, the Series 2018L Supplemental Indenture,

the Series 2018M Supplemental Indenture, the Series 2018N Supplemental Indenture, the Series 2019O Supplemental Indenture, the Series 2019P Supplemental Indenture, the Series 2019Q Supplemental Indenture, the Series 2020R Supplemental Indenture and the Series 2021S Supplemental Indenture and as it may be further supplemented and amended from time-to-time by a Supplemental Indenture or otherwise.

“*Matching Moneys*” has the meaning assigned to it in the Act.

“*Matching Moneys Bond*” means any bond issued by and delivered to the State to satisfy a Participating K-12 Institution’s obligation to pay Matching Moneys with respect to its Project.

“*Matching Moneys Installment Payments*” means periodic payments by a Participating K-12 Institution designated as Matching Moneys Installment Payments in a Sublease or Participation Agreement that the Participating K-12 Institution has agreed to pay to satisfy the Participating K-12 Institution’s obligation to pay Matching Moneys with respect to its Project.

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

“*MSRB*” means the Municipal Securities Rulemaking Board and any successor body.

“*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.

“*October 2012 Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today October 2012 Supplemental Trust Indenture dated as of October 30, 2012 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*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.

“*Participant*” means a Participating K-12 Institution that is not a Sublessee under a Sublease.

“*Participant Representative*” means a Person identified as such in a Participant’s Participation Agreement.

“*Participating K-12 Institution*” means an Eligible K-12 Institution for which the Assistance Board has recommended, and the State Board has approved, the provision of financial assistance for the Eligible K-12 Institution’s Project in accordance with the Act and for which the Assistance Board has instructed the State Treasurer to enter into a Building Excellent Schools Today Lease Purchase Agreement to provide such financial assistance.

“*Participation Agreement*” means an agreement between the State and a Participant with respect to the financing of the Participant’s Project.

“*Participation Agreement Representative*” means a Person identified as such in a Participant’s Participation Agreement or any Person appointed as Participation Agreement Representative by the Person identified as such in such Participation Agreement.

“*Participation Agreement Term*” means the period of time during which a Participation Agreement is in force and effect as set forth in Section 3.01 of such Participant Agreement.

“*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 7.02(b) of any Lease; (b) the Leases, the Indenture, the Site Leases and the Subleases; (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 Leased Property, including easements granted pursuant to Section 7.03 of any Lease; (d) any financing statements filed with respect to the Trustee’s interest in the Leased Property, the Leases, the Site Leases or the Subleases; (e) any encumbrance represented by financing statements filed to perfect purchase money security interests in any portion of or all of the Leased Property; (f) any claim filed pursuant to C.R.S. § 38-26-107; (g) any applicable zoning requirements; (h) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Leased Property and as do not, as certified by the Site Lessor that leased the Leased Property to the Trustee, materially impair title to the Leased Property; (i) items appearing on the title insurance policy or commitment to issue the title insurance policy delivered at the time the Leased Property is added to the Leased Property subject to a Lease; and (j) with respect to the 2019P Leased Property and the 2019Q Leased Property, Permitted Encumbrances additionally means any items listed on the title reports of such property delivered by the State to the 2019P Initial Purchaser

or 2019Q Initial Purchaser, as applicable, prior to the execution and delivery of the Series 2019P Certificates and the Series 2019Q Certificates by the Trustee.

“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.

“Principal Component” means the rights of the Owner of a Tax Credit Build America Certificate or a Qualified School Construction Certificate not included in the Tax Credit Component or, if applicable, the Interest Component, including the right to payment of the principal of and, unless a separate Interest Strip has been created, Supplemental Interest on such Certificate in accordance with the Indenture and the other rights of the Owner of such Certificate under the Indenture based on the principal amount of such Certificate that are not included in the Tax Credit Component or Interest Component.

“Principal Strip” means an instrument evidencing the right to receive the principal of and, unless a separate Interest Strip has been created, Supplemental Interest on a Tax Credit Qualified School Construction Certificate or Tax Credit Build America Certificate independently of the right to receive the tax credit available to the owner of, and the interest on, such Tax Credit Qualified School Construction Certificate or Tax Credit Build America Certificate.

“Project” means (a) when the term is used to refer to a Project financed with the proceeds of a Series of Certificates, a capital construction project as defined in the Act that is financed with the proceeds of such Series of Certificates; (b) when the term is used in a particular Lease, a capital construction project as defined in the Act that is financed with proceeds of Certificates with the same Series designation as the Lease; (c) when the term is used together with a possessive reference to a Participating K-12 Institution, a capital construction project as defined in the Act that is identified as the Project of such Participating K-12 Institution in a Lease, a Sublease, a Participation Agreement, a Site Lease, the Indenture or other document; and (d) when the term is used in other contexts, all the capital construction projects as defined in the Act financed, in whole or in part, with proceeds of Certificates.

“Project Account” means an account of the Capital Construction Fund that is to be used to fund a particular Project.

“Project Contract” means the contract or agreement pursuant to which a Contractor performs Work in connection with a Project.

“Property Damage, Defect or Title Event” means one of the following events: (a) any portion of the Leased Property is destroyed or damaged by fire or other casualty, (b) title to, or the temporary or permanent use of, any portion of the Leased Property or the estate of the State or the

Trustee in any portion of the Leased Property, 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 Leased Property becomes apparent or (d) title to or the use of any portion of the Leased Property is lost by reason of a defect in the title thereto.

“Proportionate Share” means (a) when the term is used to refer to a Participating K-12 Institution’s share of an amount payable (or another amount to be allocated among Participating K-12 Institutions) pursuant to a particular Lease, the share determined by multiplying the total amount by a fraction, the numerator of which is the costs of the Participating K-12 Institution’s Project financed with the proceeds of Certificates or Allocated Investment Earnings from Project Accounts with the same Series designation as such Lease and the denominator of which is the sum of the costs all Participating K-12 Institution’s Projects financed with the proceeds of Certificates or Allocated Investment Earnings from Project Accounts with the same Series designation as such Lease; and (b) when the term is used to refer to a Participating K-12 Institution’s share of the sum of all amounts payable (or all other amounts to be allocated among all Participating K-12 Institutions) pursuant to all the Leases for a particular category of cost or expense (or for a particular purpose), the share determined by multiplying the sum of all such amounts by a fraction, the numerator of which is the costs of such Participating K-12 Institution’s Project financed with the proceeds of Certificates and Allocated Investment Earnings and the denominator of which is sum of the costs all Participating K-12 Institutions’ Projects financed with the proceeds of all Certificates and Allocated Investment Earnings.

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

“Qualified School Construction Certificate” means any Taxable Qualified School Construction Certificate or any Tax Credit Qualified School Construction Certificate.

“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 on 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.

“Reference Dealer” means:

(a) with respect to the Series 2010B Certificates, (i) Goldman, Sachs & Co. or its successors; provided, however, that if the foregoing Reference Dealer shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the State shall substitute therefor another Primary Treasury Dealer, and (ii) four other Primary Treasury Dealers selected by the State;

(b) with respect to any Series of Certificates other than the Series 2010B Certificates, (i) RBC Capital Markets, LLC or its successors; provided, however, that if the foregoing Reference Dealer shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the State shall substitute therefor another Primary Treasury Dealer, and (ii) four other Primary Treasury Dealers selected by the State.

“*Reference Treasury Dealer Quotations*” means, with respect to each Reference Dealer and any redemption date, the average, as determined by the Trustee or the independent accounting firm or financial advisor retained for such purpose, as applicable, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the State and the Trustee by such Reference Dealer at 5:00 p.m. (New York time) on the third business day preceding such redemption date.

“*Renewal Term*” means, with respect to each Lease, Sublease and Participation Agreement, each twelve-month period, commencing on July 1 of each Fiscal Year and ending on June 30 of such Fiscal Year, for which the State renews a Lease Term, a Sublessee renews a Sublease Term or a Participant renews a Participation Agreement Term after the Initial Term of such Lease, Sublease or Participation 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.

“*Rule 15c2-12*” means Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12), as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

“*S&P*” means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc., and its successors and assigns.

“*Sanctioned Country*” means, at any time, a country, region or territory which is the subject or target of any Sanctions (at the date of the 2019P Lease and the 2019Q Lease, Crimea, Cuba, Iran, North Korea, and Syria).

“*Sanctioned Person*” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or Controlled by any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of any Sanctions.

“*Sanctions*” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered

by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

“Scheduled Lease Term” means the period that begins on the first day of the Initial Term of a Lease and ends on the date described in Section 3.01(b)(i) of such Lease.

“Scheduled Participation Agreement Term” means the period that begins on the first day of the Initial Term of a Participation Agreement and ends on the date described in Section 3.01(b)(i) of such Participation Agreement.

“Scheduled Site Lease Term” means the period that begins on the first day of the Site Lease Term of a Site Lease and ends on the date described in Section 3.01(a)(i) of such Site Lease.

“Scheduled Sublease Term” means the period that begins on the first day of the Initial Term of a Sublease and ends on the date described in Section 3.01(b)(i) of such Sublease.

“SEC” means the U.S. Securities and Exchange Commission and any successor body.

“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 Lease, Sinking Fund Account or any other term with a series designation, the Lease, 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 Lease “with the same Series designation” as a Series of Certificates or Sinking Fund Account shall mean the Lease the name of which includes the same year and letter as such Series of Certificates or Sinking Fund Account.

“Series 2009A Certificates” means the Series of Certificates authorized by the Series 2009A Supplemental Indenture.

“Series 2009A Sinking Fund Account” means the Sinking Fund Account created for the payment of the Series 2009A Certificates pursuant to Section 3.01 of the Master Indenture.

“Series 2009A Sinking Fund Principal” means the payments of Base Rent by the State pursuant to the 2009A Lease that are designated and paid as Series 2009A Sinking Fund Principal under the 2009A Lease.

“Series 2009A Supplemental Indenture” means the State of Colorado Building Excellent Schools Today Series 2009A Supplemental Trust Indenture dated as of August 12, 2009 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“Series 2010B Certificates” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Taxable Build America Series 2010B.

“*Series 2010B Interest*” means the interest payable on the Series 2010B Certificates pursuant to the Series 2010B-C Supplemental Indenture.

“*Series 2010B-C Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Series 2010B-C Supplemental Trust Indenture dated as of March 16, 2010 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Series 2010C Certificates*” means the State of Colorado Building Excellent Schools Today Certificates of Participation Series 2010C Tax-Exempt Series 2010C.

“*Series 2010C Interest*” means the interest payable on the Series 2010C Certificates pursuant to the Series 2010B-C Supplemental Indenture.

“*Series 2010D Certificates*” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Taxable Qualified School Construction Series 2010D.

“*Series 2010D Interest*” means the interest payable on the Series 2010D Certificates pursuant to the Series 2010D-F Supplemental Indenture.

“*Series 2010D Sinking Fund Account*” means the Sinking Fund Account created for the payment of the Series 2010D Certificates pursuant to the Master Indenture.

“*Series 2010D Sinking Fund Principal*” means the payment of Base Rent by the State pursuant to the 2010D-F Lease that are designated and paid as Series 2010D Sinking Fund Principal under the 2010D-F Lease.

“*Series 2010D-F Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December 16, 2010 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Series 2010E Certificates*” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Taxable Build America Series 2010E.

“*Series 2010E Interest*” means the interest payable on the Series 2010E Certificates pursuant to the Series 2010D-F Supplemental Indenture.

“*Series 2010F Certificates*” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Tax-Exempt Series 2010F.

“*Series 2010F Interest*” means the interest payable on the Series 2010F Certificates pursuant to the Series 2010D-F Supplemental Indenture.

“*Series 2011G Certificates*” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Tax-Exempt Series 2011G.

“*Series 2011G Interest*” means the interest payable on the Series 2011G Certificates pursuant to the Series 2011G Supplemental Indenture.

“*Series 2011G Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December 8, 2011 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Series 2012H Certificates*” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Tax-Exempt Series 2012H.

“*Series 2012H Interest*” means the interest payable on the Series 2012H Certificates pursuant to the Series 2012H Supplemental Indenture.

“*Series 2012H Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December 6, 2012 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Series 2013I Certificates*” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Tax-Exempt Series 2013I.

“*Series 2013I Interest*” means the interest payable on the Series 2013I Certificates pursuant to the Series 2013I Supplemental Indenture.

“*Series 2013I Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December 9, 2013 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Series 2017J Certificates*” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Tax-Exempt Series 2017J.

“*Series 2017J Interest*” means the interest payable on the Series 2017J Certificates pursuant to the Series 2017J Supplemental Indenture.

“*Series 2017J Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December 7, 2017 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Series 2017K Certificates*” means the State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Tax-Exempt Series 2017K.

“*Series 2017K Defeasance Escrow Agreement*” means the State of Colorado Building Excellent Schools Today Series 2017K Defeasance Escrow Agreement dated as of December 7, 2017 between the State and the Trustee, in its capacity as escrow agent.

“*Series 2017K Defeasance Escrow Account*” means the account of that name maintained pursuant to the Series 2017K Defeasance Escrow Agreement.

“*Series 2017K Interest*” means the interest payable on the Series 2017K Certificates pursuant to the Series 2017K Supplemental Indenture.

“*Series 2017K Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December 7, 2017 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Series 2018L Certificates*” means the State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Tax-Exempt Series 2018L.

“*Series 2018L Interest*” means the interest payable on the Series 2018L Certificates pursuant to the Series 2018L Supplemental Indenture.

“*Series 2018L Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of September 18, 2018 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Series 2018L/M Defeasance Escrow Agreement*” means the State of Colorado Building Excellent Schools Today Series 2018L/M Defeasance Escrow Agreement dated as of September 18, 2018 between the State and the Trustee, in its capacity as escrow agent.

“*Series 2018L/M Defeasance Escrow Account*” means the account of that name maintained pursuant to the Series 2018L/M Defeasance Escrow Agreement.

“*Series 2018M Certificates*” means the State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Tax-Exempt Series 2018M.

“*Series 2018M Interest*” means the interest payable on the Series 2018M Certificates pursuant to the Series 2018M Supplemental Indenture.

“*Series 2018M Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of September 18, 2018 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Series 2018N Certificates*” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Tax-Exempt Series 2018N.

“*Series 2018N Interest*” means the interest payable on the Series 2018N Certificates pursuant to the Series 2018N Supplemental Indenture.

“*Series 2018N Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December 6, 2018 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Series 2019O Certificates*” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Tax-Exempt Series 2019O.

“*Series 2019O Interest*” means the interest payable on the Series 2019O Certificates pursuant to the Series 2019O Supplemental Indenture.

“Series 2019O Supplemental Indenture” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December 5, 2019 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“Series 2019P Certificates” means the State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Taxable (Convertible to Tax-Exempt) Series 2019P.

“Series 2019P Interest” means the interest payable on the Series 2019P Certificates pursuant to the Series 2019P Supplemental Indenture, which Series 2019P Interest shall equal: (a) for any date prior to the 2019P Tax-Exempt Conversion Date, if any, the per annum rate set forth under “Taxable Interest Rate” in Section 1.02(f) of the Series 2019P Supplemental Indenture; and (ii) on and after the 2019P Tax-Exempt Conversion Date, if any, the per annum rate set forth under “Tax-Exempt Interest Rate” in such Section 1.02(f); provided that if an Adverse Tax Event shall have occurred with respect to the Series 2019P Certificates on any date following the 2019P Tax-Exempt Conversion Date, the Series 2019P Certificates shall thereafter bear interest at the per annum rate set forth under “Taxable Interest Rate” in such Section 1.02(f).

“Series 2019P Supplemental Indenture” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December 27, 2019 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“Series 2019P/Q Defeasance Escrow Agreement” means the State of Colorado Building Excellent Schools Today Series 2019P/Q Defeasance Escrow Agreement dated as of December 27, 2019 between the State and the Trustee, in its capacity as escrow agent.

“Series 2019P/Q Defeasance Escrow Account” means the account of that name maintained pursuant to the Series 2019P/Q Defeasance Escrow Agreement.

“Series 2019Q Certificates” means the State of Colorado Building Excellent Schools Today Refunding Certificates of Participation, Taxable (Convertible to Tax-Exempt) Series 2019Q.

“Series 2019Q Interest” means the interest payable on the Series 2019Q Certificates pursuant to the Series 2019Q Supplemental Indenture, which Series 2019Q Interest shall equal: (a) for any date prior to the 2019Q Tax-Exempt Conversion Date, if any, the per annum rate set forth under “Taxable Interest Rate” in Section 1.02(f) of the Series 2019Q Supplemental Indenture; and (ii) on and after the 2019Q Tax-Exempt Conversion Date, if any, the per annum rate set forth under “Tax-Exempt Interest Rate” in such Section 1.02(f); provided that if an Adverse Tax Event shall have occurred with respect to the Series 2019Q Certificates on any date following the 2019Q Tax-Exempt Conversion Date, the Series 2019Q Certificates shall thereafter bear interest at the per annum rate set forth under “Taxable Interest Rate” in such Section 1.02(f).

“Series 2019Q Supplemental Indenture” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December 27, 2019 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“Series 2020R Certificates” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Tax-Exempt Series 2020R.

“*Series 2020R Interest*” means the interest payable on the Series 2020R Certificates pursuant to the Series 2020R Supplemental Indenture.

“*Series 2020R Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December 9, 2020 by the Trustee, as it may be amended or supplemented from time-to-time by a Supplemental Indenture or otherwise.

“*Series 2021S Certificates*” means the State of Colorado Building Excellent Schools Today Certificates of Participation, Tax-Exempt Series 2021S.

“*Series 2021S Interest*” means the interest payable on the Series 2021S Certificates pursuant to the Series 2021S Supplemental Indenture.

“*Series 2021S Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today Supplemental Trust Indenture dated as of December [9], 2021 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 Qualified School Construction Certificates for which it is established.

“*Sinking Fund Certificates*” means Qualified School Construction Certificates the principal of which is payable from a Sinking Fund Account.

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

“*Site Lease*” means a lease pursuant to which a Site Lessor has leased Leased Property to the Trustee, as amended or supplemented from time-to-time. When the term is preceded by a possessive, it means the Site Lease pursuant to which the particular Site Lessor has leased Leased Property to the Trustee.

“*Site Lease Term*” means the period of time during which a Site Lease is in force and effect as set forth in Section 3.01 of such Site Lease.

“*Site Lessor*” means the Participating K-12 Institution or the Chartering Authority for a Participating K-12 Institution that has leased Leased Property to the Trustee pursuant to a Site Lease in its capacity as lessor under such Site Lease.

“*Site Lessor Representative*” means a Person identified as such in a Site Lessor’s Site Lease or any Person appointed as Site Lessor Representative by the Person identified as such in such Site Lease.

“*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.

“*Specifications*” means, for each Project, the Specifications attached to the Sublease or Participation Agreement of the Participating K-12 Institution for which such Project was financed.

“*State*” means (a) when used with respect to a party to a Sublease or Participation Agreement, the State of Colorado, acting by and through the State Treasurer and the Assistance Board acting on behalf of the State; (b) when used with respect to a party to a Lease or any other document other than a Sublease or Participation Agreement, the State of Colorado, acting by and through the State Treasurer; and (c) when used in any other context, the State of Colorado.

“*State Board*” means the State Board of Education created and existing pursuant to section 1 of article IX of the State Constitution.

“*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 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 Leases, the Indenture, the Site Leases, the Subleases and the Participation Agreements.

“*State Treasurer*” means the State Treasurer of the State, which State Treasurer is, pursuant to C.R.S. § 24-36-101, chief executive officer of the Department of the Treasury of the State.

“*State’s Purchase Option Price*” means, when the term is used to refer to the State’s Purchase Option Price in a Lease, the amount that the State must pay to purchase the interest of the Trustee in all the Leased Property subject to such Lease pursuant to Section 8.01 of such Lease.

“*Stripped*” when used with respect to a Certificate means that a Principal Strip, Interest Strip and/or Tax Credit Strip have been created from such Certificate pursuant to a Supplemental Indenture.

“*Stripping*” means the creation of a Principal Strip, Interest Strip and/or Tax Credit Strip from a Certificate pursuant to a Supplemental Indenture.

“*Stripping Request*” means a request delivered by the Owner of a Certificate to the Trustee to create separate Principal Strips, Interest Strips and/or Tax Credit Strips from such Certificate in accordance with a Supplemental Indenture.

“*Sublease*” means a sublease pursuant to which a Participating K-12 Institution subleases Leased Property from the State, as amended or supplemented from time-to-time.

“*Sublease Term*” means the period of time during which a Sublease is in force and effect as set forth in Section 3.01 of such Sublease.

“*Sublessee*” means (a) when the term is used in or to refer to a particular Sublease, the Participating K-12 Institution that is subleasing the Leased Property subject to the Sublease from the State pursuant to the Sublease; and (b) when the term is used in a Lease, the Indenture or

another document, any Participating K-12 Institution that is subleasing Leased Property from the State pursuant to a Sublease.

“Sublessee Representative” means a Person identified as such in a Sublessee’s Sublease or any Person appointed as Sublessee Representative by the Person identified as such in such Sublease.

“Sublessee’s Purchase Option Price” means (a) when the term is used to refer to the Sublessee’s Purchase Option Price under any Sublease with respect to Leased Property subject to the 2009A Lease, the amount that the Sublessee must pay to purchase the interest of the Trustee in all the Leased Property subject to such Sublease following an Event of Default or Event of Nonappropriation under the 2009A Lease pursuant to Section 8.01 of such Sublease; and (b) when the term is used to refer to the Sublessee’s Purchase Option Price under any Sublease with respect to Leased Property subject to the 2017J Lease, the 2017K Lease, the 2018L Lease, the 2018M Lease, the 2018N Lease, the 2019O Lease, the 2019P Lease, the 2019Q Lease, the 2020R Lease or the 2021S Lease, the amount that the Sublessee must pay to purchase the interest of the Trustee in all the Leased Property subject to such Sublease following an Event of Default or Event of Nonappropriation under such Lease pursuant to Section 9.01 of such Sublease.

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

“Supplemental Interest” means, with respect to any Tax Credit Qualified School Construction Certificate, interest payable from the date such Certificate is first executed and delivered, at the rate set forth in the Supplemental Indenture authorizing the Series of Certificates of which such Certificate is a part.

“Tax Credit” means the federal tax credit that the Owner of a Tax Credit Qualified School Construction Certificate or a Tax Credit Build America Certificate has the right to claim with respect to such Certificate under the Code.

“Tax Credit Allowance Date” means, with respect to each Qualified School Construction Certificate and any Tax Credit Strip relating to a Tax Credit Qualified School Construction Certificate, (a) each March 15, June 15, September 15, and December 15, beginning on the date of issuance of the Qualified School Construction Certificate through the date such Tax Credit Qualified School Construction Certificate matures or is redeemed and (b) the date on which such Tax Credit Qualified School Construction Certificate matures or is redeemed.

“Tax Credit Build America Certificate” means any Certificate of any Series designated as Tax Credit Build America Certificates in the Supplemental Indenture authorizing the issuance of the Series of Certificates of which such Certificate is a part.

“Tax Credit Component” means the right of the Owner of a Tax Credit Build America Certificate or a Tax Credit Qualified School Construction Certificate, or if such Certificate has been Stripped the Owner of the related Tax Credit Strip, to claim the Tax Credit with respect to such Certificate.

“Tax Credit Coupon” means the coupon attached to a Tax Credit Build America Certificate or a Tax Credit Qualified School Construction Certificate evidencing the right to claim a Tax Credit with respect to such Certificate.

“Tax Credit Qualified School Construction Certificate” means any of the Series 2009A Certificates and any Certificate of any other Series designated as a Tax Credit Qualified School Construction Certificate in the Supplemental Indenture authorizing the issuance of such other Series of Certificates of which such Certificate is a part.

“Tax Credit Rate” means, with respect to any Tax Credit Qualified School Construction Certificate, the credit rate as of the date on which there is a binding, written contract for the initial sale and exchange of such Certificate, as published by the United State Bureau of Public Debt on its Internet site for State and Local Government Series securities at: <https://www.treasurydirect.gov>.

“Tax Credit Strip” means an instrument evidencing the right to receive the tax credit available to the owner of a Tax Credit Qualified School Construction Certificate or Tax Credit Build America Certificate independently of the right to receive the principal of or the interest on such Tax Credit Qualified School Construction Certificate or Tax Credit Build America Certificate.

“Tax-Exempt Certificate” means any Certificate of any Series of Certificates designated as Tax-Exempt Certificates in the Supplemental Indenture authorizing the issuance of the Series of Certificates of which such Certificate is a part.

“Tax Treatment Designation” means the designation assigned to a Series of Certificates in the Supplemental Indenture authorizing the Series of Certificates as Taxable Build America Certificates, Tax Credit Build America Certificates, Taxable No Tax Credit Certificates, Tax-Exempt Certificates, Tax Credit Qualified School Construction Certificates or Taxable Qualified School Construction Certificates.

“Taxable Build America Certificate” means any Certificate of any Series of Certificates designated as Taxable Build America Certificates in the Supplemental Indenture authorizing the issuance of the Series of Certificates of which such Certificate is a part.

“Taxable Build America Certificates Tax Law Change” means legislation has been enacted by the Congress of the United States or passed by either House of the Congress, or a decision has been rendered by a court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement has been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, the effect of which would be to suspend, reduce or terminate the Federal Direct Payment from the United States Treasury to the State with respect to the Taxable Build America Certificates or to state or local government issuers generally with respect to obligations of the general character of the Taxable Build America Certificates pursuant to Sections 54AA or 6431 of the Code of Federal Direct Payments equal to 35% of the interest payable on each interest payment date; provided that such suspension, reduction or termination of the Federal Direct Payments is

not due to a failure by the State to comply with the requirements under the Code to receive such Federal Direct Payments.

“Taxable No Tax Credit Certificate” means any Certificate of any Series designated as Taxable No Tax Credit Certificates in the Supplemental Indenture authorizing the issuance of the Series of Certificates of which such Certificate is a part.

“Taxable Qualified School Construction Certificate” means any Certificate of any Series of Certificates designated as Taxable Qualified School Construction Certificates in the Supplemental Indenture authorizing the issuance of the Series of Certificates of which such Certificate is a part.

“Taxable Qualified School Construction Certificates Tax Law Change” means legislation has been enacted by the Congress of the United States or passed by either House of the Congress, or a decision has been rendered by a court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement has been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, the effect of which would be to suspend, reduce or terminate the Federal Direct Payment from the United States Treasury to the State with respect to the Taxable Build America Certificates or to state or local government issuers generally with respect to obligations of the general character of the Taxable Build America Certificates pursuant to Sections 64F or 6431 of the Code of Federal Direct Payments equal to the lesser of (a) 100% of the interest payable on each Taxable Qualified School Construction Certificate on each interest payment date and (b) the amount of interest which would have been payable on the such Taxable Qualified School Construction Certificate on such interest payment date if such rate were the Tax Credit Rate; provided that such suspension, reduction or termination of the Federal Direct Payments is not due to a failure by the State to comply with the requirements under the Code to receive such Federal Direct Payments.

“Total Scheduled Base Rent” means, (a) with respect to any Base Rent Payment Date under the 2009A Lease, the 2009A Sinking Fund Principal component of Base Rent payable pursuant to the 2009A Lease on such Base Rent Payment Date; (b) with respect to any Base Rent Payment Date under the 2017J Lease, the sum of the Amortizing Principal and Series 2017K Interest components of Base Rent payable pursuant to the 2017K Lease on such Base Rent Payment Date; (c) with respect to any Base Rent Payment Date under the 2017K Lease, the sum of the Amortizing Principal and Series 2017K Interest components of Base Rent payable pursuant to the 2017K Lease on such Base Rent Payment Date; (d) with respect to any Base Rent Payment Date under the 2018L Lease, the sum of the Amortizing Principal (with respect to the Series 2010B-C Certificates and the Series 2018L Certificates), Series 2010B-C Interest and Series 2018L Interest components of Base Rent payable pursuant to the 2018L Lease on such Base Rent Payment Date; (e) with respect to any Base Rent Payment Date under the 2018M Lease, the sum of the Amortizing Principal (with respect to the Series 2010E-F Certificates and the Series 2018M Certificates), Series 2010E-F Interest and Series 2018M Interest components of Base Rent payable pursuant to the 2018M Lease on such Base Rent Payment Date; (f) with respect to any Base Rent Payment Date under the 2018N Lease, the sum of the Amortizing Principal and Series 2018N Interest components of Base Rent payable pursuant to the 2018N Lease on such Base Rent Payment Date; (g) with respect to any Base Rent Payment Date under the 2019O Lease, the sum of the Amortizing Principal and Series

2019O Interest components of Base Rent payable pursuant to the 2019O Lease on such Base Rent Payment Date; (h) with respect to any Base Rent Payment Date under the 2019P Lease, the sum of the Amortizing Principal (with respect to the Series 2012H Certificates and the Series 2019P Certificates), Series 2012H Interest and Series 2019P Interest components of Base Rent payable pursuant to the 2019P Lease on such Base Rent Payment Date; (i) with respect to any Base Rent Payment Date under the 2019Q Lease, the sum of the Amortizing Principal (with respect to the Series 2013I Certificates and the Series 2019Q Certificates), Series 2013I Interest and Series 2019Q Interest components of Base Rent payable pursuant to the 2019Q Lease on such Base Rent Payment Date; (j) with respect to any Base Rent Payment Date under the 2020R Lease, the sum of the Amortizing Principal and Series 2020R Interest components of Base Rent payable pursuant to the 2020R Lease on such Base Rent Payment Date, and (k) with respect to any Base Rent Payment Date under the 2021S Lease, the sum of the Amortizing Principal and Series 2021S Interest components of Base Rent payable pursuant to the 2021S Lease on such Base Rent Payment Date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date

“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 Zions Bancorporation, 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 Leases, the Indenture, the Site Leases, the Subleases and the Participation Agreements 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.

“2009A Lease” means the State of Colorado Building Excellent Schools Today Series 2009A Lease Purchase Agreement dated as of August 12, 2009 between the Trustee and the State, as amended or supplemented from time to time.

“2009A Leased Property” means the Leased Property subject to the 2009A Lease.

“2009A Participating K-12 Institutions” means Alamosa School District Re-11J, Sangre De Cristo School District Re-22J and Sargent School District Re-33J.

“2009A Project Accounts” means the Project Accounts into which proceeds of the Series 2009A Certificates are deposited.

“*2009A Projects*” means the Projects financed with proceeds of the Series 2009A Certificates.

“*2009A Site Leases*” means the Site Leases between the Trustee and the 2009A Participating K-12 Institutions as Site Lessors, as amended or supplemented from time to time.

“*2009A Subleases*” means the Subleases between the State and the 2009A Sublessees as Sublessees, as amended or supplemented from time to time.

“*2009A Sublessees*” means the 2009A Participating K-12 Institutions in their capacities as Sublessees under the 2009A Subleases.

“*2010B-C Certificates*” means the Series 2010B Certificates and the Series 2010C Certificates, collectively.

“*2010B-C Lease*” means, (a) prior to the amendment and restatement thereof by the 2018L Lease, the State of Colorado Building Excellent Schools Today Series 2010B-C Lease Purchase Agreement dated as of March 16, 2010 between the Trustee and the State, as amended or supplemented from time to time, and (b) thereafter, the 2018L Lease.

“*2010B-C Leased Property*” means the Leased Property subject to the 2010B-C Lease.

“*2010B-C Participating K-12 Institutions*” means Alta Vista Charter School, Colorado School for the Deaf and Blind, Crestone Charter School, Inc., Delta County School District 50J, Douglas County School District Number Re-1, El Paso County School District No. 8, Miami Yoder School District JT-60, Park County School District Re-2, San Juan School District No. 1 and Swink School District No. 33.

“*2010B-C Project Accounts*” means the Project Accounts into which proceeds of the Series 2010B-C Certificates are deposited.

“*2010B-C Projects*” means the Projects financed with proceeds of the Series 2010B-C Certificates.

“*2010B-C Site Leases*” means the Site Leases between the Trustee and the 2010B-C Site Lessors, as amended or supplemented from time to time.

“*2010B-C Site Lessors*” means Lamar School District RE-2, Colorado School for the Deaf and Blind, Delta County School District 50J, Douglas County School District Number Re-1, El Paso County School District No. 8, Miami Yoder School District JT-60, Park County School District Re-2, San Juan School District No. 1 and Swink School District No. 33.

“*2010B-C Subleases*” means the Subleases between the State and the 2010B-C Sublessees and, in the case of a charter school, the charter school’s Chartering Authority, as amended or supplemented from time to time.

“*2010B-C Sublessees*” means the 2010B-C Participating K-12 Institutions other than Crestone Charter School, Inc. in their capacities as Sublessees under the 2010B-C Subleases.

“2010D-F Certificates” means the Series 2010D Certificates, the Series 2010E Certificates and the Series 2010F Certificates, collectively.

“2010D-F Lease” means, (a) prior to the amendment and restatement thereof by the 2018M Lease, the State of Colorado Building Excellent Schools Today Series 2010D-F Lease Purchase Agreement dated as of December 16, 2010 between the Trustee and the State, as amended or supplemented from time to time, and (b) thereafter, the 2018M Lease.

“2010D-F Leased Property” means the Leased Property subject to the 2010D-F Lease.

“2010D-F Participating K-12 Institutions” means Akron School District No. R-1, Center Joint Consolidated School District No. 26, Holly School District RE-3, Lake George Charter School, School District No. 1 in the County of Adams (MAPLETON 1), Monte Vista Consolidated School District No. 8, North Routt Community Charter School, Salida School District R-32-J and Vista Charter School.

“2010D-F Project Accounts” means the Project Accounts into which proceeds of the Series 2010D-F Certificates are deposited.

“2010D-F Projects” means the Projects financed with proceeds of the Series 2010D-F Certificates.

“2010D-F Site Leases” means the Site Leases between the Trustee and the 2010D-F Site Lessors, as amended or supplemented from time to time.

“2010D-F Site Lessors” means Akron School District No. R-1, Center Joint Consolidated School District No. 26, Holly School District RE-3, Park County School District RE-2, School District No. 1 in the County of Adams (MAPLETON 1), Monte Vista Consolidated School District No. 8, North Routt Community Charter School, Salida School District R-32-J and Vista Charter School.

“2010D-F Subleases” means the Subleases between the State and the 2010D-F Sublessees and, in the case of a charter school, the charter school’s Chartering Authority, as amended or supplemented from time to time.

“2010D-F Sublessees” means the 2010D-F Participating K-12 Institutions in their capacities as Sublessees under the 2010D-F Subleases.

“2011G Certificates” means the Series 2011G Certificates.

“2011G Lease” means, (a) prior to the amendment and restatement thereof by the 2017K Lease, the State of Colorado Building Excellent Schools Today Series 2011G Lease Purchase Agreement dated as of December 8, 2011 between the Trustee and the State, as amended or supplemented from time to time., and (b) thereafter, the 2017K Lease.

“2011G Leased Property” means the Leased Property subject to the 2011G Lease.

“2011G Participating K-12 Institutions” means Arapahoe County School District No. 1, Big Sandy School District No. 100J, Eagle County Charter Academy, Ellicott School District No. 22, Horizons K-8 School, Idalia RJ-3 School District, Ignacio School District No. 11 JT, Sanford School District No. 6J, School District No. RE-11 in the County of Weld and State of Colorado and The Laurent Clerc Educational Fund of Colorado d/b/a Rocky Mountain Deaf School.

“2011G Project Accounts” means the Project Accounts into which proceeds of the Series 2011G Certificates are deposited.

“2011G Projects” means the Projects financed with proceeds of the Series 2011G Certificates.

“2011G Site Leases” means the Site Leases between the Trustee and the 2011G Site Lessors, as amended or supplemented from time to time.

“2011G Site Lessors” means Arapahoe County School District No. 1, Big Sandy School District No. 100J, Boulder Valley School District No. RE 2, Eagle County School District No. RE 50, Ellicott School District No. 22, Idalia RJ-3 School District, Ignacio School District No. 11 JT, Sanford School District No. 6J and School District No. RE-11 in the County of Weld and State of Colorado.

“2011G Subleases” means the Subleases between the State and the 2011G Sublessees and, in the case of a charter school, the charter school’s Chartering Authority, as amended or supplemented from time to time.

“2011G Sublessees” means the following 2011G Participating K-12 Institutions in their capacities as Sublessees under the 2011G Subleases: Arapahoe County School District No. 1, Big Sandy School District No. 100J, Eagle County Charter Academy, Ellicott School District No. 22, Horizons K-8 School, Idalia RJ-3 School District, Ignacio School District No. 11 JT, Sanford School District No. 6J and School District No. RE-11 in the County of Weld and State of Colorado.

“2012H Certificates” means the Series 2012H Certificates.

“2012H Lease” means, (a) prior to the amendment and restatement thereof by the 2019P Lease, the State of Colorado Building Excellent Schools Today Series 2012H Lease Purchase Agreement dated as of December 6, 2012 between the Trustee and the State, as amended or supplemented from time to time, and (b) thereafter, the 2019P Lease.

“2012H Leased Property” means the Leased Property subject to the 2012H Lease.

“2012H Participating K-12 Institutions” means Elbert School District No. 200, Genoa-Hugo School District No. C-113, Greeley School District No. 6, Hi-Plains School District R-23, Lake County School District No. R-1, Montezuma-Cortez School District No. RE1, Otis School District No. R-3, Platte Valley School District No. RE3 and Sheridan School District No. 2.

“2012H Project Accounts” means the Project Accounts into which proceeds of the Series 2012H Certificates are deposited.

“2012H Projects” means the Projects financed with proceeds of the Series 2012H Certificates.

“2012H Site Leases” means the Site Leases between the Trustee and the 2012H Site Lessors, as amended or supplemented from time to time.

“2012H Site Lessors” means the 2012H Participating Institutions in their capacities as Site Lessors under the 2012H Site Leases.

“2012H Subleases” means the Subleases between the State and the 2012H Sublessees and, in the case of a charter school, the charter school’s Chartering Authority, as amended or supplemented from time to time.

“2012H Sublessees” means the 2012H Participating K-12 Institutions in their capacities as Sublessees under the 2012H Subleases.

“2013I Certificates” means the Series 2013I Certificates.

“2013I Lease” means, (a) prior to the amendment and restatement thereof by the 2019Q Lease, the State of Colorado Building Excellent Schools Today Series 2013I Lease Purchase Agreement dated as of December 9, 2013 between the Trustee and the State, as amended or supplemented from time to time., and (b) thereafter, the 2019Q Lease.

“2013I Leased Property” means the Leased Property subject to the 2013I Lease.

“2013I Participating K-12 Institutions” means Creede School District, Haxtun School District RE-2J, Kim Reorganized School District No. 88, Limon School District No. RE 4J, Moffat School District No. 2, in the County of Saguache and State of Colorado, and South Conejos School District No. RE-10.

“2013I Project Accounts” means the Project Accounts into which proceeds of the Series 2013I Certificates are deposited.

“2013I Projects” means the Projects financed with proceeds of the Series 2013I Certificates.

“2013I Site Leases” means the Site Leases between the Trustee and the 2013I Site Lessors, as amended or supplemented from time to time.

“2013I Site Lessors” means the 2013I Participating Institutions in their capacities as Site Lessors under the 2013I Site Leases.

“2013I Subleases” means the Subleases between the State and the 2013I Sublessees and, in the case of a charter school, the charter school’s Chartering Authority, as amended or supplemented from time to time.

“2013I Sublessees” means the 2013I Participating K-12 Institutions in their capacities as Sublessees under the 2013I Subleases.

“*2015 Lease*” means the State of Colorado Building Excellent Schools Today 2015 Lease Purchase Agreement dated as of February 12, 2015 between the Trustee and the State, as amended or supplemented from time to time.

“*2015 Leased Property*” means the Leased Property subject to the 2015 Lease.

“*2015 Participating K-12 Institution*” means Morgan County School District No. Re-3.

“*2015 Project*” means the Project financed with moneys in the 2015 Project Account.

“*2015 Project Account*” means the Project Account created by Section 3.02(e) of the Master Indenture.

“*2015 Site Lease*” means the Site Lease between the Trustee and the 2015 Site Lessor, as amended or supplemented from time to time.

“*2015 Site Lessor*” means the 2015 Participating K-12 Institution in its capacity as Site Lessor under the 2015 Site Lease.

“*2015 Sublease*” means the Sublease between the State and the 2015 Sublessee, as amended or supplemented from time to time.

“*2015 Sublessee*” means the 2015 Participating K-12 Institution in its capacity as Sublessee under the 2015 Sublease.

“*2015 Supplemental Indenture*” means the State of Colorado Building Excellent Schools Today 2015 Supplemental Trust Indenture dated as of February 12, 2015, as it may be amended or supplemented from time to time by a Supplemental Indenture or otherwise.

“*2017J Certificates*” means the Series 2017J Certificates.

“*2017J Lease*” means the State of Colorado Building Excellent Schools Today Series 2017J Lease Purchase Agreement dated as of December 7, 2017 between the Trustee and the State, as amended or supplemented from time to time.

“*2017J Leased Property*” means the Leased Property subject to the 2017J Lease.

“*2017J Participating K-12 Institutions*” means Brush School District No. RE-2J, Del Norte School District No. C-7, Mancos School District RE-6, and Mountain Valley School District No. RE-1.

“*2017J Project Accounts*” means the Project Accounts into which proceeds of the Series 2017J Certificates are deposited.

“*2017J Projects*” means the Projects financed with proceeds of the Series 2017J Certificates.

“*2017J Site Leases*” means the Site Leases between the Trustee and the 2017J Site Lessors, as amended or supplemented from time to time.

“*2017J Site Lessors*” means the 2017J Participating Institutions in their capacities as Site Lessors under the 2017J Site Leases.

“*2017J Subleases*” means the Subleases between the State and the 2017J Sublessees and, in the case of a charter school, the charter school’s Chartering Authority, as amended or supplemented from time to time.

“*2017J Sublessees*” means the 2017J Participating K-12 Institutions in their capacities as Sublessees under the 2017J Subleases.

“*2017K Certificates*” means the Series 2017K Certificates.

“*2017K Lease*” means the State of Colorado Building Excellent Schools Today Series 2017K Amended and Restated Lease Purchase Agreement dated as of December 7, 2017 between the Trustee and the State, as amended or supplemented from time to time.

“*2017K Leased Property*” means the Leased Property subject to the 2017K Lease.

“*2017K Participating K-12 Institutions*” means the 2011G Participating K-12 Institutions.

“*2017K Site Leases*” means the 2011G Site Leases, as amended or supplemented from time to time.

“*2017K Site Lessors*” means the 2011G Site Lessors.

“*2017K Subleases*” means the 2011G Subleases, as amended or supplemented from time to time.

“*2017K Sublessees*” means the 2011G Sublessees.

“*2018L Certificates*” means the Series 2018L Certificates.

“*2018L Lease*” means the State of Colorado Building Excellent Schools Today Series 2018L Amended and Restated Lease Purchase Agreement dated as of September 18, 2018 between the Trustee and the State, as amended or supplemented from time to time.

“*2018L Leased Property*” means the Leased Property subject to the 2018L Lease.

“*2018L Participating K-12 Institutions*” means the 2010B-C Participating K-12 Institutions.

“*2018L Site Leases*” means the 2010B-C Site Leases, as amended or supplemented from time to time.

“*2018L Site Lessors*” means the 2010B-C Site Lessors.

“*2018L Subleases*” means the 2010B-C Subleases, as amended or supplemented from time to time.

“*2018L Sublessees*” means the 2010B-C Sublessees.

“*2018M Certificates*” means the Series 2018M Certificates.

“*2018M Lease*” means the State of Colorado Building Excellent Schools Today Series 2018M Amended and Restated Lease Purchase Agreement dated as of September 18, 2018 between the Trustee and the State, as amended or supplemented from time to time.

“*2018M Leased Property*” means the Leased Property subject to the 2018M Lease.

“*2018M Participating K-12 Institutions*” means the 2010D-F Participating K-12 Institutions.

“*2018M Site Leases*” means the 2010D-F Site Leases, as amended or supplemented from time to time.

“*2018M Site Lessors*” means the 2010D-F Site Lessors.

“*2018M Subleases*” means the 2010D-F Subleases, as amended or supplemented from time to time.

“*2018M Sublessees*” means the 2010D-F Sublessees.

“*2018N Certificates*” means the Series 2018N Certificates.

“*2018N Lease*” means the State of Colorado Building Excellent Schools Today Series 2018N Lease Purchase Agreement dated as of December 6, 2018 between the Trustee and the State, as amended or supplemented from time to time.

“*2018N Leased Property*” means the Leased Property subject to the 2018N Lease.

“*2018N Participating K-12 Institutions*” means Adams County School District 14, Buena Vista School District No. R-31, School District Fremont RE-1, Hayden School District RE-1, Cheyenne County School District R-1, School District No. 1 in the County of Adams (Mapleton Public Schools), Swallows Charter Academy K-12 and Wray School District RD-2.

“*2018N Project Accounts*” means the Project Accounts into which proceeds of the Series 2018N Certificates are deposited.

“*2018N Projects*” means the Projects financed with proceeds of the Series 2018N Certificates.

“*2018N Site Leases*” means the Site Leases between the Trustee and the 2018N Site Lessors, as amended or supplemented from time to time.

“*2018N Site Lessors*” means the 2018N Participating Institutions in their capacities as Site Lessors under the 2018N Site Leases.

“*2018N Subleases*” means the Subleases between the State and the 2018N Sublessees and, in the case of a charter school, the charter school’s Chartering Authority, as amended or supplemented from time to time.

“*2018N Sublessees*” means the 2018N Participating K-12 Institutions in their capacities as Sublessees under the 2018N Subleases.

“*2019O Certificates*” means the Series 2019O Certificates.

“*2019O Lease*” means the State of Colorado Building Excellent Schools Today Series 2019O Lease Purchase Agreement dated as of December 5, 2019 between the Trustee and the State, as amended or supplemented from time to time.

“*2019O Leased Property*” means the Leased Property subject to the 2019O Lease.

“*2019O Participating K-12 Institutions*” means Adams County School District No. 1, Adams County, Colorado, Aurora, Joint District No. 28 of the Counties of Adams and Arapahoe, Lake County School District R-1, Manzanola, Joint District No. 3J, of the Counties of Otero and Crowley, North Conejos School District No. RE1J, and Yuma School District-1.

“*2019O Project Accounts*” means the Project Accounts into which proceeds of the Series 2019O Certificates are deposited.

“*2019O Projects*” means the Projects financed with proceeds of the Series 2019O Certificates.

“*2019O Site Leases*” means the Site Leases between the Trustee and the 2019O Site Lessors, as amended or supplemented from time to time.

“*2019O Site Lessors*” means the 2019O Participating Institutions in their capacities as Site Lessors under the 2019O Site Leases.

“*2019O Subleases*” means the Subleases between the State and the 2019O Sublessees and, in the case of a charter school, the charter school’s Chartering Authority, as amended or supplemented from time to time.

“*2019O Sublessees*” means the 2019O Participating K-12 Institutions in their capacities as Sublessees under the 2019O Subleases.

“*2019P Certificates*” means the Series 2019P Certificates.

“*2019P Initial Purchaser*” means DNT Asset Trust, a Delaware statutory trust and wholly owned subsidiary of JPMorgan Chase Bank N.A., and any successors and assigns that are affiliates of JPMorgan Chase Bank N.A., as the initial purchaser of all of the 2019P Certificates. All references to the 2019P Initial Purchaser hereunder shall be applicable for so long as, and only to the extent that, the 2019P Initial Purchaser is the sole owner of all Outstanding 2019P Certificates. All references herein to the 2019P Initial Purchaser shall be of no force and effect in the event that the 2019P Initial Purchaser is not the sole Owner of all Outstanding 2019P Certificates.

“*2019P Lease*” means the State of Colorado Building Excellent Schools Today Series 2019P Amended and Restated Lease Purchase Agreement dated as of December 27, 2019 between the Trustee and the State, as amended or supplemented from time to time.

“*2019P Leased Property*” means the Leased Property subject to the 2019P Lease.

“*2019P Participating K-12 Institutions*” means the 2012H Participating K-12 Institutions.

“*2019P Site Leases*” means the 2012H Site Leases, as amended or supplemented from time to time.

“*2019P Site Lessors*” means the 2012H Site Lessors.

“*2019P Subleases*” means the 2012H Subleases, as amended or supplemented from time to time.

“*2019P Sublessees*” means the 2012H Sublessees.

“*2019P Tax-Exempt Conversion Date*” means any date on which the Series 2019P Certificates are converted to Tax-Exempt Certificates as provided in Section 1.05 of the Series 2019P Supplemental Indenture entitled “Conversion of the Series 2019P Certificates to Tax-Exempt Certificates.”

“*2019Q Certificates*” means the Series 2019Q Certificates.

“*2019Q Initial Purchaser*” means DNT Asset Trust, a Delaware statutory trust and wholly owned subsidiary of JPMorgan Chase Bank N.A., and any successors and assigns that are affiliates of JPMorgan Chase Bank N.A., as the initial purchaser of all of the 2019Q Certificates. All references to the 2019Q Initial Purchaser hereunder shall be applicable for so long as, and only to the extent that, the 2019Q Initial Purchaser is the sole owner of all Outstanding 2019Q Certificates. All references herein to the 2019Q Initial Purchaser shall be of no force and effect in the event that the 2019Q Initial Purchaser is not the sole Owner of all Outstanding 2019Q Certificates.

“*2019Q Lease*” means the State of Colorado Building Excellent Schools Today Series 2019Q Amended and Restated Lease Purchase Agreement dated as of December 27, 2019 between the Trustee and the State, as amended or supplemented from time to time.

“*2019Q Leased Property*” means the Leased Property subject to the 2019Q Lease.

“*2019Q Participating K-12 Institutions*” means the 2013I Participating K-12 Institutions.

“*2019Q Site Leases*” means the 2013I Site Leases, as amended or supplemented from time to time.

“*2019Q Site Lessors*” means the 2013I Site Lessors.

“*2019Q Subleases*” means the 2013I Subleases, as amended or supplemented from time to time.

“*2019Q Sublessees*” means the 2013I Sublessees.

“*2019Q Tax-Exempt Conversion Date*” means any date on which the Series 2019Q Certificates are converted to Tax-Exempt Certificates as described in Section 1.05 of the Series 2019Q Supplemental Indenture entitled “Conversion of the Series 2019Q Certificates to Tax-Exempt Certificates.”

“*2020R Certificates*” means the Series 2020R Certificates.

“*2020R Lease*” means the State of Colorado Building Excellent Schools Today Series 2020R Lease Purchase Agreement dated as of December 9, 2020 between the Trustee and the State, as amended or supplemented from time to time.

“*2020R Leased Property*” means the Leased Property subject to the 2020R Lease.

“*2020R Participating K-12 Institutions*” means School District No. 60, in Pueblo County, Colorado (commonly referred to as Pueblo School District No. 60) (with respect to the Sunset Park Elementary School Project); School District No. 60 in Pueblo County, Colorado (commonly referred to as Pueblo School District No. 60) (with respect to the Franklin School of Innovation Project); Weld County Reorganized School District RE-5J, in Larimer and Weld Counties, Colorado (commonly referred to as Weld County, School District No. RE-5); and School District RE-4 also known as School District No. 4 in Baca County, Colorado (commonly referred to as Springfield School District No. RE-4).

“*2020R Project Accounts*” means the Project Accounts into which proceeds of the Series 2020R Certificates are deposited.

“*2020R Projects*” means the Projects financed with proceeds of the Series 2020R Certificates.

“*2020R Site Leases*” means the Site Leases between the Trustee and the 2020R Site Lessors, as amended or supplemented from time to time, including, without limitation, separate Site Leases I and II of School District No. 60, Pueblo County, Colorado, relating to the Sunset Park Elementary School Project and the Franklin School of Innovation Project, respectively.

“*2020R Site Lessors*” means the 2020R Participating Institutions in their capacities as Site Lessors under the 2020R Site Leases.

“*2020R Subleases*” means the Subleases between the State and the 2020R Sublessees and, in the case of a charter school, the charter school’s Chartering Authority, as amended or supplemented from time to time, including, without limitation, separate Subleases I and II of School District No. 60, Pueblo County, Colorado, relating to the Sunset Park Elementary School Project and the Franklin School of Innovation Project, respectively.

“*2020R Sublessees*” means the 2020R Participating K-12 Institutions in their capacities as Sublessees under the 2020R Subleases.

“*2021S Certificates*” means the Series 2021S Certificates.

“*2021S Lease*” means the State of Colorado Building Excellent Schools Today Series 2021S Lease Purchase Agreement dated as of December 9, 2021 between the Trustee and the State, as amended or supplemented from time to time.

“*2021S Leased Property*” means the Leased Property subject to the 2021S Lease.

“*2021S Participating K-12 Institutions*” means Fowler School District R-4J; Huerfano School District RE-1; Weld County School District RE-5J; Julesburg RE-1 School District; Rocky Ford School District No. R-2; and Thompson School District R2-J.

“*2021S Project Accounts*” means the Project Accounts into which proceeds of the Series 2021S Certificates are deposited.

“*2021S Projects*” means the Projects financed with proceeds of the Series 2021S Certificates.

“*2021S Site Leases*” means the Site Leases between the Trustee and the 2021S Site Lessors, as amended or supplemented from time to time.

“*2021S Site Lessors*” means the 2021S Participating Institutions in their capacities as Site Lessors under the 2021S Site Leases.

“*2021S Subleases*” means the Subleases between the State and the 2021S Sublessees and, in the case of a charter school, the charter school’s Chartering Authority, as amended or supplemented from time to time.

“*2021S Sublessees*” means the 2021S Participating K-12 Institutions in their capacities as Sublessees under the 2021S Subleases.

“*Unexpended Proceeds Redemption*” means any redemption of Certificates of a Series of Qualified School Construction Certificates pursuant to the applicable redemption provisions of a Supplemental Indenture as a result of the failure to expend the Available Project Proceeds within the Available Project Proceeds Expenditure Period.

“*Work*” for each Project is defined in the Sublease or Participation Agreement of the Participating K-12 Institution for which such Project was financed.

FORM OF

**STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
SERIES 2021S LEASE PURCHASE AGREEMENT**

by and between

**ZIONS BANCORPORATION, 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 December [9], 2021

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**STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
SERIES 2021S LEASE PURCHASE AGREEMENT**

This State of Colorado Building Excellent Schools Today Series 2021S Lease Purchase Agreement (this “Lease”) is dated as of December [9], 2021 and is entered into by and between, Zions Bancorporation, 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 Lease have the meanings assigned to them in the Glossary attached to the State of Colorado Building Excellent Schools Today Master Trust Indenture dated August 12, 2009, as such Glossary has been amended, supplemented and restated by the Glossary attached to the State of Colorado Building Excellent Schools Today Series 2021S Supplemental Trust Indenture dated as of December [9], 2021 and as it may further be amended, supplemented and restated from time to time.*

RECITALS

A. The State Treasurer, on behalf of the State and on the instructions of the Assistance Board, is authorized by the Act (a) to enter into one or more Building Excellent Schools Today Lease Purchase Agreements with a commercial bank as trustee to finance Projects for Eligible K-12 Institutions that are recommended by the Assistance Board and approved by the State Board for financing under the Act and (b) to enter into a Sublease or Participation Agreement with each such Eligible K-12 Institution with respect to the financing of its Project and, in the case of a Sublease, with respect to the subleasing of the Leased Property improved by the Eligible K-12 Institution’s Project to such Eligible K-12 Institution. Each Participating K-12 Institution is an Eligible K-12 Institution and is authorized under applicable law, its governing documents, if relevant, and action of its Governing Body to enter into a Sublease or Participation Agreement with respect to its Project and, if it is entering into a Sublease, to enter into a Sublease with respect to the Leased Property subject to such Sublease.

B. The Assistance Board has recommended and the State Board has approved the financing of the 2021S Projects for the 2021S Participating K-12 Institutions under the Act. The Assistance Board has instructed the State Treasurer to enter into a Building Excellent Schools Today Lease Purchase Agreement on behalf of the State to finance the 2021S Projects for the 2021S Participating K-12 Institutions and to enter into a Sublease or Participation Agreement with each 2021S Participating Institution.

C. The Leased Property of each Participating K-12 Institution that is entering into a Sublease will be leased to the Trustee pursuant to a Site Lease from the Participating K-12 Institution or, in certain cases where the Participating K-12 Institution is a Charter School, the Chartering Authority of such Participating K-12 Institution. All the Leased Property will be leased by the Trustee to the State Treasurer, acting on behalf of the State, pursuant to this Lease, which is a Building Excellent Schools Today Lease Purchase Agreement, with the Trustee, which is a commercial bank.

D. Certificates have been and will be issued pursuant to the Indenture. Proceeds of the Certificates have been and will be used pursuant to the terms of the Indenture to finance all or a portion of the Costs of the Projects of the Participating K-12 Institutions. The following Series of Certificates have been or are being issued pursuant to the Indenture: the Series 2009A Certificates were issued to finance the 2009A Projects of the 2009A Participating K-12 Institutions, the Series 2010B Certificates and the Series 2010C Certificates (collectively referred to as the 2010B C Certificates) were issued to finance the 2010B-C Projects for the 2010B-C Participating K-12 Institutions, the Series 2010D Certificates, the Series 2010E Certificates and the Series 2010F Certificates (collectively referred to as the Series 2010D F Certificates) were issued to finance the 2010D-F Projects for the 2010D-F Participating K-12 Institutions, the Series 2011G Certificates were issued to finance the 2011G Projects of the 2011G Participating K-12 Institutions, the Series 2012H Certificates were issued to finance the 2012H Projects for the 2012H Participating K-12 Institutions, the Series 2013I Certificates were issued to finance the 2013I Projects for the 2013I Participating K-12 Institutions, the Series 2017J Certificates were issued to finance the 2017J Projects for the 2017J Participating K-12 Institutions, the Series 2017K Certificates were issued to refund and defease in advance of their respective maturities the Series 2011G Certificates, the Series 2018L Certificates were issued to refund and defease in advance of their respective maturities the Series 2010B Certificates, the Series 2018M Certificates were issued to refund and defease in advance of their respective maturities the Series 2010E Certificates, the Series 2018N Certificates were issued to finance the 2018N Projects for the 2018N Participating K-12 Institutions, the Series 2019O Certificates were issued to finance the 2019O Projects for the 2019O Participating K-12 Institutions, the Series 2019P Certificates were issued to refund and defease in advance of their respective maturities certain of the Series 2012H Certificates, the Series 2019Q Certificates were issued to refund and defease in advance of their respective maturities certain of the Series 2013I Certificates, the Series 2020R Certificates were issued to finance the 2020R Projects for the 2020R Participating K-12 Institutions and the Series 2021S Certificates are being issue to finance the 2021S Projects for the 2021S Participating K-12 Institutions.

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 Lease 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 Participating K-12 Institution is an Eligible K-12 Institution. Each Project is a capital construction project as defined in the Act.

(b) The Assistance Board has recommended, and the State Board has approved, the provision of financial assistance as defined in the Act, to each Participating K-12 Institution for its Project in accordance with the Act. This Lease is a Building Excellent Schools Today Lease Purchase Agreement that is being entered into by the State Treasurer on behalf of the State pursuant to instructions from the Assistance Board to the State Treasurer in order to provide financial assistance as defined in the Act to each Participating K-12 Institution for its Project approved by the Assistance Board and the State Board in the amount approved by the Assistance Board, all in accordance with the Act.

(c) Each Participating K-12 Institution is providing Matching Moneys in the amount approved by the Assistance Board for the financial assistance provided to it pursuant to this Lease, which Matching Moneys will be credited to the Assistance Fund.

(d) The maximum total amount of annual lease payments payable by the State during any Fiscal Year under this Lease and all other outstanding Building Excellent Schools Today Lease Purchase Agreements is less than the maximum total amount of annual lease payments set forth below. If the maximum total amount of annual lease payments of principal or interest payable by the State during any Fiscal Year under this Lease and all other outstanding Building Excellent Schools Today Lease Purchase Agreements is greater than one-half of the maximum amount of annual lease purchase payments set forth below, the aggregate amount of Matching Moneys expected to be credited to the Assistance Fund pursuant to §§ 22-43.7-110(2)(c) and 22-43.7-104(2)(b)(IV) of the Act and any interest or income derived from the deposit and investment of the Matching Moneys is at least equal to the annual amount of lease payments of principal and interest payable by the State during any Fiscal Year under this Lease and all other outstanding Building Excellent Schools Today Lease Purchase Agreements that exceed one-half of the maximum total amount of annual lease payments set forth below. The maximum total amount of annual lease payments referenced above are:

- (i) \$20 million for the 2008-09 Fiscal Year;
- (ii) \$40 million for the 2009-2010 Fiscal Year;
- (iii) \$60 million for the 2010-2011 Fiscal Year;
- (iv) \$80 million for the 2011-12 Fiscal Year and for each Fiscal Year thereafter through the 2015-16 Fiscal Year;
- (v) \$90 million for the 2016-17 Fiscal Year;
- (vi) \$100 million for the 2017-18 and 2018-19 Fiscal Years;
- (vii) \$105 million for the 2019-20 Fiscal Year; and
- (viii) \$125 million for the 2020-21 Fiscal Year and for each Fiscal Year thereafter.

(e) The State will not enter into any Building Excellent Schools Today Lease Purchase Agreements that will cause the maximum total amount of annual lease payments payable

by the State during any Fiscal Year under this Lease and all other outstanding Building Excellent Schools Today Lease Purchase Agreements to exceed the amounts permitted under paragraph (d) of this Section unless the Act is amended to permit larger amounts, in which case such amounts may be increased to the larger amounts permitted by the Act as amended.

(f) **[reserved]**

(g) The State Treasurer has provided written notice to the Joint Budget Committee of the Colorado General Assembly that the State Treasurer has determined that the use of interest or income on the deposit and investment of moneys in the State Public School Fund to make lease payments under a lease purchase agreement entered into pursuant to § 24-43.7-110(2) of the Act will prevent the interest component of the lease payments from qualifying for exemption from federal income taxation. The State Treasurer has not rescinded such determination.

(h) This Lease, the financial assistance to Participating K-12 Institutions pursuant to this Lease and the financing pursuant to this Lease, the Series 2009A Certificates, the 2010B-C Certificates, the 2010D-F Certificates, the 2011G Certificates, the 2012H Certificates, the 2013I Certificates, the 2017J Certificates, the 2017K Certificates, the 2018L Certificates, the 2018M Certificates, the 2018N Certificates, the 2019O Certificates, the 2019P Certificates, the 2019Q Certificates, the 2020R Certificates and the 2021S Certificates comply with the applicable provisions of the Act.

(i) The State is authorized under the Act to lease the Leased Property from the Trustee and to execute, deliver and perform its obligations under this Lease.

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

(k) This Lease 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.

(l) The execution, delivery and performance of this Lease 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 Lease, the Indenture, the Subleases, the Participation Agreements or the Site Leases, result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the State.

(m) There is no litigation or proceeding pending or threatened against the State or any other Person affecting the right of the State to execute, deliver or perform the obligations of the State under this Lease.

(n) Each Participating K-12 Institution that is a charter school is a governmental entity and a public school of a school district that is a political subdivision of the State governed by Colorado law and a Charter granted or entered into by its Chartering Authority pursuant to which the property of such charter school reverts to such Chartering Authority upon expiration or termination of such charter. The other Participating K-12 Institutions are State agencies or school districts that are political subdivisions of the State. Benefits received by the Participating K-12 Institutions and the Chartering Authorities by the leasing of the Leased Property by the State pursuant to this Lease accrue to the State. The Participating K-12 Institutions, the Chartering Authorities and the State will receive economic and other benefits by the leasing of the Leased Property by the State pursuant to this Lease. The initial Leased Property is, and any Leased Property substituted for the initial Leased Property will be, property that is necessary and essential to the purposes and operations of the Participating K-12 Institutions, the Chartering Authorities and the State. The State expects that the Leased Property will adequately serve the needs for which it is being leased throughout the Scheduled Lease Term.

(o) The Rent payable in each Fiscal Year during the Lease Term is not more than the fair value of the use of the Leased Property during such Fiscal Year. The Rent payable in any Fiscal Year during the Lease 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 Lease beyond such Fiscal Year, (ii) not to exercise its right to terminate this Lease at any time through an Event of Nonappropriation or (iii) to exercise any of its options to purchase the Leased Property hereunder. The State's Purchase Option Price for the Leased Property pursuant to Section 8.01 hereof is the State's best estimate of the fair purchase price of such Leased Property at the time of exercise of the State's option to purchase such Leased Property by paying the State's Purchase Option Price. The Scheduled Lease Term and the final maturity of the Series 2021S Certificates do not exceed the weighted average useful life of the real property improvements included in the Leased Property. In making the representations, covenants and warranties set forth above in this subsection, the State has given due consideration to the Projects, the purposes for which the Leased Property will be used by the State and the Sublessees, the benefits to the State and the Sublessees from the use of the Leased Property, the State's options to purchase the Leased Property hereunder and the terms of this Lease governing the use of the Leased Property.

(p) The State presently intends and expects to continue this Lease annually until title to the Leased Property is acquired by the State pursuant to this Lease; but this representation does not obligate or otherwise bind the State.

(q) The State is not aware of any current violation of any Requirement of Law relating to the Leased Property.

(r) The State has appropriated sufficient moneys in the Assistance Fund to pay (i) the Base Rent payable in the current Fiscal Year; and (ii) the Additional Rent estimated to be payable in the current Fiscal Year that it does not expect to pay from the State Expense Fund.

(s) The certifications, representation and agreements set forth in the tax compliance certificate executed by the State in connection with the issuance of the Series 2021S Certificates are hereby incorporated in the Lease as if set forth in full in this subsection.

ARTICLE II

DEMISING CLAUSE; ENJOYMENT OF LEASED PROPERTY

Section 2.01. Demising Clause. The Trustee demises and leases the Trustee's leasehold estate under the Site Leases in the land described in Exhibit A hereto (the "Land" for purposes of this Lease) and the buildings, structures and improvements now and hereafter located on the Land (together with the Land, the "Leased Property" for purposes of this Lease) to the State in accordance with the terms of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

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

ARTICLE III

LEASE TERM; TERMINATION OF LEASE

Section 3.01. Lease Term.

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

(b) The Lease Term shall expire upon the earliest of any of the following events:

(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 all the Leased Property by the State pursuant to Section 8.01 hereof; or

(iv) termination of this Lease following an Event of Default in accordance with Section 11.02(a) hereof.

Section 3.02. Effect of Termination of Lease Term. Upon termination of the Lease 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 Leased Property hereunder shall terminate and (i) the State shall, within 90 days, vacate the Leased Property; 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 Leased Property during, the period between termination of the Lease Term and the date the Leased Property 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

PROJECTS OF SUBLESSEES

Section 4.01. Sublessees' Obligations to Construct Projects of Sublessees. Each Sublessee has agreed in its Sublease to construct the Project that is to improve the Leased Property subject to such Sublease in accordance with Article IV of its Sublease.

Section 4.02. State's Obligation to Construct Projects of Sublessees. The State hereby agrees (a) to cause the Project of each Sublessee to be constructed in accordance with Article IV of the applicable Sublease and (b) to comply with all of the covenants of each Sublessee set forth in Article IV of such Sublease as if Article IV of such Sublease were set forth in full in this Lease with the State named wherever the Sublessee is named.

Section 4.03. State Obligated Regardless of Sublessee's Actions. The State may comply with Section 4.02 hereof with respect to a Project by causing the Sublessee to comply with Article IV of its Sublease, but no failure of any Sublessee to comply with any provision of Article IV of its Sublease shall relieve the State of any of the State's obligations to the Trustee under Section 4.02 hereof.

ARTICLE V

RENT; EVENT OF NONAPPROPRIATION

Section 5.01. Base Rent.

(a) ***Obligation to Pay Base Rent.*** 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 Lease Term in immediately available funds. The Base Rent is composed of the following components: (i) Amortizing Principal; and (ii) Series 2021S Interest. The Amortizing Principal and the Series 2021S Interest components of Base Rent (collectively, the "Total Scheduled Base Rent") are payable in the amounts and on the Base Rent Payment Dates set forth on Exhibit B. The amounts payable as Series 2021S Interest are designated and paid as, and represent payment of, interest.

(b) **[reserved]**

(c) ***Credits Against Base Rent.***

(i) The Base Rent payable on any Base Rent Payment Date shall be reduced by the following credits:

(A) 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 shall be credited against the amount of Amortizing Principal and the total Base Rent payable on any Base Rent Payment Date; and

(B) 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 shall be credited against the interest components of Base Rent and the total Base Rent payable on such Base Rent Payment Date.

(ii) Thirty days prior to each Base Rent Payment Date, the Trustee shall notify the State as to the exact amounts, if any, on deposit in each account of the Certificate Fund that will be credited, pursuant to clause (i) above, against components of and total Base Rent payable on such Base Rent Payment Date. If further amounts that are to be credited against the components of 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 such components of and total Base Rent payable on the next succeeding Base Rent Payment Date.

(d) ***Application of Base Rent.*** Upon receipt by the Trustee of each payment of Base Rent, the Trustee shall apply the amount of such payment:

(i) *first*, each payment of Base Rent designated and paid as interest, plus the amount of any past due interest on the 2021S 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 shall be deposited into the Principal Account.

Section 5.02. Additional Rent. The State shall, subject only to Sections 6.01(b) and 7.02(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 5.03. Unconditional Obligations. The obligation of the State to pay Base Rent during the Lease Term shall, subject only to the other Sections of this Article, and the obligation of the State to pay Additional Rent during the Lease Term shall, subject only to Sections 6.01(b) and 7.02(b) hereof and the other Sections of this Article, including, without limitation, Sections 5.04, 5.05 and 13.16 hereof, be absolute and unconditional and shall not be abated or offset for any reason related to the Leased Property. Notwithstanding any dispute between the State and the Trustee or between the State or the Trustee and any other Person relating to the Leased Property, 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.

Section 5.04. Event of Nonappropriation.

(a) The officer of the State who is responsible for formulating budget proposals with respect to payment of Rent is hereby directed (i) 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 Lease Term and (ii) to include in each annual budget proposal submitted to the Colorado General Assembly during the Lease Term the entire amount of Base Rent scheduled to be paid 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 Lease 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 or otherwise authorized the expenditure of 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 or authorization.

(d) If the State shall determine to exercise its annual right to terminate this Lease 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 Lease or (iii) result in any liability on the part of the State.

(e) The State shall furnish the Trustee with copies of all appropriation or expenditure authorization 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 of Default, (ii) prevent the State from terminating this Lease or (iii) result in any liability on the part of the State.

Section 5.05. Limitations on Obligations of the State.

(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 the Assistance Fund, including any moneys appropriated or transferred by the Colorado

General Assembly to the Assistance Fund in accordance with the Act from any legally available source if the amount of money in the Assistance Fund that is available to pay Rent will be insufficient to cover the full amount of Rent. All obligations of the State under this Lease 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 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 Section 20(4) of Article X of the State Constitution. In the event the State does not renew this Lease, the sole security available to the Trustee, as lessor under this Lease, shall be the Leased Property.

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

(c) The Certificates evidence undivided interests in the right to receive Lease Revenues and shall be payable solely from the Trust Estate. No provision of the Certificates, the Indenture, any Lease, any Sublease, any Participation Agreement, any Matching Money Bond, any Site Lease 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 Leased Property pursuant to Article VIII hereof.

(e) No provision of this Lease 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 Lease 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.

ARTICLE VI

OPERATION, MAINTENANCE AND INSURANCE OF LEASED PROPERTY

Section 6.01. Taxes, Utilities and Insurance.

(a) Except to the extent such expenses are paid by a Sublessee pursuant to its Sublease, the State shall pay, as Additional Rent, all of the following expenses with respect to the Leased Property:

(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 Leased Property;

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

(iv) public liability insurance with respect to the activities to be undertaken by the State and the Sublessees in connection with the Leased Property and this Lease: (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 and the Sublessees 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 Leased Property. If the State or the Sublessee shall first notify the Trustee of the intention of the State or the Sublessee to do so, the State or the Sublessee 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 or the Sublessee that, in the opinion of Independent Counsel, whose fees and expenses shall be paid by the State or the Sublessee, as applicable, by nonpayment of any such item the interest of the Trustee in the Leased Property will be materially interfered with or endangered or the Leased Property 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 or the Sublessee, the Trustee will cooperate fully with the State and the Sublessee 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 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, the Sublessee 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, the Sublessee or the Trustee without first giving written notice thereof to the State, the Sublessee 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 Leased Property shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the State or any Sublessee; and (vii) each insurance policy shall explicitly waive any coinsurance 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.

(e) The Leased Property is not covered by the State risk management program. The Sublessees of the Leased Property have agreed in their Subleases to provide insurance required by this Section with respect to the Leased Property subject to their Subleases pursuant to the Colorado School Districts Self Insurance Pool or in another manner permitted by their Subleases. The State’s obligations with respect to insurance shall only apply if and to the extent a Sublessee fails to provide the required insurance in accordance with its Sublease.

Section 6.02. Maintenance and Operation of Leased Property. The State shall maintain, preserve and keep the Leased Property, or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, subject to normal wear and tear, shall operate the Leased Property, or cause the Leased Property 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 7.05 and 7.07 hereof.

ARTICLE VII

TITLE TO LEASED PROPERTY; ENCUMBRANCES, EASEMENTS, MODIFICATIONS, SUBSTITUTION, DAMAGE, PERSONAL PROPERTY

Section 7.01. Title to Leased Property. Title to the leasehold estate in the Leased Property under each Site Lease shall be held in the name of the Trustee, subject to such Site Lease and this Lease, until the leasehold estate in such Leased Property under such Site Lease is conveyed or otherwise disposed of as provided herein, and the State shall have no right, title or interest in the Leased Property except as expressly set forth herein.

Section 7.02. Limitations on Disposition of and Encumbrances on Leased Property.

(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 the Leased Property or directly or indirectly create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, 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.

(b) Notwithstanding subsection (a) of this Section, if the State or the Sublessee shall first notify the Trustee of the intention of the State or the Sublessee to do so, the State or the Sublessee may in good faith contest any such mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, 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 and, if the Sublessee has notified the Trustee pursuant to this Section, the Sublessee that, in the opinion of Independent Counsel, whose fees shall be paid by the State or the Sublessee, as applicable, by failing to discharge or satisfy such item the interest of the Trustee in the Leased Property will be materially interfered with or endangered, or the Leased Property 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 or the Sublessee of the right to continue to contest such item. At the request of the State or the Sublessee, the Trustee will cooperate fully with the State and the Sublessee in any such contest.

Section 7.03. 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 or the Sublessee:

(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 Leased Property, free from this Lease, the Indenture and the Subleases 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 Leased Property, free from this Lease, the Indenture and the Subleases 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: (i) a copy of the instrument of grant or release; and (ii) a written application signed by the State Representative or the Sublessee Representative of the Sublessee requesting such instrument and stating that such grant or release will not materially adversely affect the value, or interfere with the effective use or operation, of the Leased Property.

Section 7.04. Subleasing and Other Grants of Use. The State may sublease portions of the Leased Property to Sublessees pursuant to Subleases and such Sublessees may further sublease or otherwise grant the right to use the portion of the Leased Property subleased to it to another Person, but only if:

(a) the Sublease includes the covenant by the Sublessee described in Section 9.04 hereof;

(b) the sublease or grant of use by the Sublessee complies with the covenant in the Sublease described in clause (a) above; and

(c) the obligations of the State under this Lease shall remain obligations of the State, and the State shall maintain its direct relationship with the Trustee, notwithstanding any such Sublease, sublease or grant of use.

Section 7.05. Modification of Leased Property. The State, at its own expense, may remodel, or make substitutions, additions, modifications or improvements to, the Leased Property, provided that: (a) such remodeling, substitutions, additions, modifications and additions (i) shall not in any way damage such portion of the Leased Property as it existed prior thereto and (ii) shall become part of the Leased Property; (b) the value of the Leased Property after such remodeling, substitutions, additions, modifications and additions shall be at least as great as the value of the Leased Property prior thereto; (c) the Leased Property, 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 Lease.

Section 7.06. Substitution of Other Property for Leased Property. The State may at any time substitute other property for any portion of the Leased Property 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 Leased Property will be at least equal to 90% of the principal amount of the Outstanding Certificates, both determined as of the date the substitution occurs. Such certifications of the State may be given based and in reliance upon certifications by the Site Lessors that leased the Leased Property to the Trustee pursuant to the Site Leases.

(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 appropriate Sublessee and the State to make the title insurance representations set forth in the form of Project Account requisition attached as Appendix A to the Master Indenture.

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

(d) An opinion of Bond Counsel to the effect that such substitution is permitted by this Lease and will not cause the State to violate its tax covenant set forth in Section 9.04 hereof.

Section 7.07. Property Damage, Defect or Title Event.

(a) If a Property Damage, Defect or Title Event occurs with respect to any portion of the Leased Property, 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 Leased Property 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 Leased Property 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 Leased Property 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 Leased Property with property of a value equal to or in excess of the value of such portion of the Leased Property;

(ii) to substitute property for the affected portion of the Leased Property pursuant to Section 7.06 hereof, in which case the Net Proceeds shall be delivered to the State; or

(iii) to use the Net Proceeds to promptly repair, restore, modify or improve or replace the affected portion of the Leased Property 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 Leased Property 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 7.08. 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 Leased Property, such proceeding shall be with respect to all the Leased Property and the value of the Leased Property for purposes of such proceeding shall be not less than the State's Purchase Option Price determined pursuant to Section 8.01 hereof.

Section 7.09. Personal Property of Sublessee. The State, at its own expense, may install equipment and other personal property in or on any portion of the Leased Property under all the Building Excellent Schools Today Lease Purchase Agreements, which equipment or other personal property shall not become part of the Leased Property unless it is permanently affixed to

the Leased Property or removal of it would materially damage the Leased Property, in which case it will become part of the Leased Property.

ARTICLE VIII

STATE'S PURCHASE OPTION; CONVEYANCE TO STATE AT END OF LEASE TERM; SUBLESSEES' PURCHASE OPTIONS

Section 8.01. State's Option to Purchase All Leased Property in Connection with Defeasance of 2021S Certificates.

(a) The State is hereby granted the option to purchase all, but not less than all, of the Leased Property subject to this Lease in connection with the defeasance of all the 2021S 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 2021S 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 Leased Property pursuant to this Section is an amount sufficient (i) to defease all the 2021S Certificates in accordance with the defeasance provisions of the Indenture and (ii) to pay all Additional Rent payable through the date on which the Leased Property 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 Leased Property and the payment, redemption or defeasance of the Outstanding 2021S 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 2021S Certificates; and (B) if any 2021S 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 2021S Certificates shall be substituted for the 2021S 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 Leased Property pursuant to this Section, the State must: (i) give written notice to the Trustee (A) stating that the State intends to purchase the Leased Property 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 8.02. [Reserved].

Section 8.03. Conveyance of Leased Property. At the closing of any purchase of Leased Property pursuant to Section 8.01 hereof, the Trustee shall execute and deliver to the State all necessary documents assigning, transferring and conveying to the State the same ownership interest in the purchased Leased Property that was conveyed to the Trustee, subject only to the

following: (i) Permitted Encumbrances, other than this Lease, the Indenture, the Subleases and the Site Leases; (ii) all liens, encumbrances and restrictions created or suffered to exist by the Trustee as required or permitted by this Lease, the Indenture and Site Lease pursuant to which the Leased Property 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 Lease, the Indenture and the Site Leases; (iii) any lien or encumbrance created or suffered to exist by action of the State or any Sublessee of the Leased Property to be purchased; and (iv) those liens and encumbrances (if any) to which the Leased Property purchased by the State pursuant to this Article was subject when acquired by the Trustee.

Section 8.04. Conveyance of Leased Property to State at End of Scheduled Lease Term. If all Base Rent scheduled to be paid through the end of the Scheduled Lease Term, all Additional Rent payable through the date of conveyance of the Leased Property to the State pursuant to this Section shall have been paid, all the 2021S Certificates have been paid in full in accordance with the Indenture and all other amounts payable pursuant to the Indenture and this Lease have been paid, the Leased Property that remains subject to this Lease shall be assigned, transferred and conveyed to the State at the end of the Scheduled Lease Term in the manner described in Section 8.03 hereof without any additional payment by the State.

Section 8.05. Purchase Options of Sublessees and Chartering Authorities. Upon the occurrence of an Event of Default or Event of Nonappropriation under this Lease, each Sublessee and the Chartering Authority of each Sublessee that is a charter school has the option to purchase the Leased Property that is subject to its Sublease as provided in Article IX and Section 14.22 of such Sublease. The Trustee agrees to notify each Sublessee and the Chartering Authority of each Sublessee that is a charter school upon the occurrence of an Event of Default or Event of Nonappropriation under this Lease and to comply with the provisions of Article IX and Section 14.22 of each Sublease.

ARTICLE IX

GENERAL COVENANTS

Section 9.01. Further Assurances and Corrective Instruments. So long as this Lease 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 Leased Property leased or intended to be leased hereunder, or for otherwise carrying out the intention of or facilitating the performance of this Lease.

Section 9.02. 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 Leased Property 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 Leased Property in a manner such that (a) the Leased Property 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 Leased Property 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 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 Leased Property 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 Leased Property 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 Leased Property, 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 Leased Property or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Leased Property in violation of any Requirements of Law.

Section 9.03. 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 or a Sublessee asserts its right to the enjoyment of the Leased Property; that involves the imposition of any charges, costs or other obligations or liabilities on or with respect to the Leased Property or the enjoyment of the Leased Property by the State or such Sublessee; 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 Lease or such Sublessee's execution, delivery and performance of its obligations under a Site Lease, Sublease or Matching Money Bond.

(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 Leased Property; that involves the imposition of any charges, costs or other obligations on or with respect to the Leased Property 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 Lease, the Indenture or the Site Leases by the Trustee or the performance of its obligations hereunder or thereunder.

Section 9.04. 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 2021S Certificates. The State (i) will require each Participating K-12 Institution to covenant in its Sublease or Participation Agreement that (A) such Participating K-12 Institution will not use or permit any other Person to

use such Participating K-12 Institution's Project and will not use, invest or direct any other Person to use or invest any moneys that it withdraws from its Project Account in a manner that would cause an Adverse Tax Event and (B) such Participating K-12 Institution will comply with the other certifications, representations and agreements set forth in the Tax Compliance Certificate executed and delivered in connection with its Sublease or Participation Agreement; and (ii) will enforce such covenant against the Participating K-12 Institution.

Section 9.05. 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 Leased Property, the Projects, the Leases, the Indenture, the Certificates, the Site Leases, the Subleases, the Participation Agreements 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 attached hereto as Exhibit C. 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.

Section 9.06. 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 to make such payment (for purposes of this Section, a "Rebate Fund shortfall"). Any Rebate Fund shortfall shall be payable on or before the date the related payment is due to the United States of America. 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 9.07. Investment of Funds. By authorizing the execution and delivery of this Lease, 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.

Section 9.08. [Reserved].

Section 9.09. Glossary. The State hereby directs the Trustee to amend, supplement and restate the Glossary as set forth in the Series 2021S Supplemental Indenture and hereby certifies that, after such amendment, supplement and restatement, the Glossary is accurate and that such amendment, supplement and restatement does not materially modify the substantive provisions of the Indenture, the Leases or the Site Leases.

ARTICLE X

LIMITS ON OBLIGATIONS OF TRUSTEE

Section 10.01. 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 LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. In no event shall the

Trustee be liable for any incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the State of any item, product or service provided for herein.

Section 10.02. Financial Obligations of Trustee Limited to Trust Estate. Notwithstanding any other provision hereof, all financial obligations of the Trustee under this Lease, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. Events of Default Defined.

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

(i) failure by the State to pay any specifically appropriated Base Rent to the Trustee on or before the applicable Base Rent Payment Date; provided, however, that a failure by the State to pay 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 Person other than the Trustee, when nonpayment thereof has, or may have, a material adverse effect upon the Certificates, the Leased Property or the interest of the Trustee in the Leased Property;

(iii) failure by the State to vacate the Leased Property subject to this Lease or the Leased Property subject to any other Lease within 90 days following an Event of Nonappropriation under the applicable Lease in accordance with Section 3.02(b) of such Lease;

(iv) any sublease, assignment, encumbrance, conveyance or other transfer of the interest of the State in all or any portion of this Lease or the Leased Property in violation of Section 12.02(a) hereof or any succession to all or any portion of the interest of the State in the Leased Property in violation of Section 12.02(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

(vi) the occurrence of an Event of Default under any other Lease (as the term “Event of Default” is defined in such other Lease).

(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 Lease 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 11.02. 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 Lease Term and give notice to the State to immediately vacate the Leased Property in the manner provided in Section 3.02(b) hereof;

(b) sell or lease its interest in all or any portion of the Leased Property, subject to the Sublessees’ purchase options under the Subleases;

(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 Leased Property; 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 is payable prior to the date, or is attributable to the use of the Leased Property prior to the date, the State vacates the Leased Property;

(d) enforce any provision of this Lease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under Article XII 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 Leased Property under this Lease, subject, however, to the limitations on the obligations of the State set forth in Sections 5.05 and 11.03 hereof.

Section 11.03. 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 11.02(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 Leased Property following an Event of Nonappropriation, only to the extent provided in Section 11.02(c)(i) hereof.

Section 11.04. No Remedy Exclusive. Subject to Section 11.03 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 11.05. Waivers.

(a) The Trustee may waive any Event of Default under this 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.

(b) In the event the Trustee waives any Event of Default described in Section 11.01(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 XII

TRANSFERS OF INTERESTS IN LEASE OR LEASED PROPERTY

Section 12.01. 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 Leased Property and its rights, title and interest in, to and under this Lease (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 Leased Property and the previous trustee's rights, title, interest and obligations in, to and under this Lease. The Trustee shall not, except as provided in this Section or as otherwise provided elsewhere in this Lease or in the Indenture, assign, convey or otherwise transfer to any Person any of the Trustee's interest in the Leased Property or the Trustee's rights, title or interest in, to or under this Lease.

Section 12.02. Transfer of the State's Interest in Lease and Leased Property Prohibited.

(a) Except as otherwise permitted by Section 7.04 hereof with respect to subleasing or grants of use of the Leased Property, Section 7.06 with respect to substitutions of other property for Leased Property and subsection (b) of this Section with respect to transfers of

the Leased Property following termination of this Lease 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 Lease or the Leased Property 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 Leased Property after, and only after, this Lease has terminated and the Leased Property has been conveyed to the State pursuant to Article VIII hereof.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Binding Effect. This Lease 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 XII hereof. The Site Lessor that leased Property to the Trustee and its successors and assigns is an intended third party beneficiary of the covenants of the State in Articles VI and VII and Sections 9.02, 9.03(a) and 12.02 hereof and of the Trustee in Section 9.03(b) hereof. This Lease and the covenants set forth herein are expressly intended to be covenants, conditions and restrictions running with the Leased Property and the leasehold estate in the Leased Property under this Lease.

Section 13.02. Interpretation and Construction. This Lease and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Lease. For purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this 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 Lease. The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder” and other words of similar import refer to this 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 applicable to governmental entities, subject to statutory exceptions and modifications, 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 13.03. Acknowledgement of Indenture. The State has received a copy of, and acknowledges the terms of, the Indenture.

Section 13.04. Trustee, State and Sublessee Representatives. Whenever under the provisions hereof the approval of the Trustee, the State or a Sublessee is required, or the Trustee, the State or a Sublessee 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, for the State by the State Representative and for the Sublessee by the Sublessee Representative identified in the Sublessee's Sublease and the Trustee, the State and the Sublessees shall be authorized to act on any such approval or request.

Section 13.05. 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, 200 E. Colfax Ave., Denver, CO 80203, Attention: Deputy Treasurer, facsimile number: 303-866-2123, with a copy to Colorado State Controller, 1525 Sherman Street, 5th floor, Denver, Colorado 80203, Attention: Robert Jaros, facsimile number: 303-866-4233, electronic mail address: bob.jaros@state.co.us, if to the Trustee, to Zions Bancorporation, National Association, 1001 Seventeenth Street, Suite 850, Denver, Colorado 80202, Attention: Corporate Trust Services facsimile number: 855-547-6178, electronic mail address: denvercorporatetrust@zionsbank.com; and if to any Sublessee or to the Chartering Authority of any Sublessee that is a charter school, to the notice address set forth in the Sublease of such Sublessee. 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 13.06. 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 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 13.07. Amendments, Changes and Modifications. Except as otherwise provided herein or in the Indenture, this Lease 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 Lease 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 13.08. 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 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 Lease.

Section 13.09. Legal Description of Land Included in Leased Property. The legal description of the land included in the Leased Property subject to this Lease is set forth in Exhibit A hereto. If the land included in the Leased Property subject to this Lease is modified pursuant to the terms of this Lease or other land is substituted for land included in the Leased Property subject to this Lease pursuant to the terms of this Lease, the legal description set forth in Exhibit A hereto will be amended to describe the land included in the Leased Property subject to this Lease after such modification or substitution.

Section 13.10. Merger. The State, the Trustee, the Site Lessors and the Sublessors intend that the legal doctrine of merger shall have no application to this Lease, any Site Lease or any Sublease and that none of the execution and delivery of this Lease by the Trustee and the State, any such Site Lease by a Site Lessor and the Trustee or any Sublease by the State and a Sublessee or the exercise of any remedies by any party under this Lease, any Site Lease or any Sublease shall operate to terminate or extinguish this Lease, any Site Lease or any Sublease.

Section 13.11. Severability. In the event that any provision of this Lease, other than the obligation of the State to pay Rent hereunder and the obligation of the Trustee to provide quiet enjoyment of the Leased Property and to convey the Leased Property 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.

Section 13.12. 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 Lease.

Section 13.13. 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 Lease. Any provision of this 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 Lease to the extent that this Lease is capable of execution. At all times during the performance of this Lease, the Trustee shall strictly adhere to all applicable federal and State laws, rules and regulations that have been or may hereafter be established.

Section 13.14. State Controller's Approval. This Lease 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 13.15. 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 13.16. 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 loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts certified by the State Controller as owing to the State as a result of final agency determination or judicial action.

Section 13.17. Employee Financial Interest. The signatories to this Lease 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 13.18. Execution in Counterparts. This 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.

[remainder of page intentionally left blank]

THE PARTIES HERETO HAVE EXECUTED THIS SERIES 2021S LEASE PURCHASE AGREEMENT AS OF
THE DATE FIRST SET FORTH ABOVE

* Person(s) signing hereby swear and affirm that they are authorized to act and acknowledge that the State is relying on their representations to that effect.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION , solely in its capacity as trustee under the Indenture By: _____ Authorized Signatory, Zions Bank Division	STATE OF COLORADO Jared S. Polis, GOVERNOR Department of the Treasury David L. Young, Treasurer By: _____ Eric Rothaus, Deputy Treasurer
STATE OF COLORADO Jared S. Polis, GOVERNOR Department of Personnel & Administration Office of the State Architect, Real Estate Programs For the Executive Director By: _____ Brandon Ates, Manager of Real Estate Programs	STATE OF COLORADO Jared S. Polis, GOVERNOR LEGAL REVIEW Philip J. Weiser, Attorney General By: _____ Lori Ann F. Knutson, First Assistant Attorney General

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

C.R.S. §24-30-202 requires the State Controller to approve all State Contracts. This Lease is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

<p>STATE CONTROLLER Robert Jaros, MBA, CPA, JD</p> <p>By: _____ Robert Jaros, State Controller</p> <p>Date: _____</p>

[Signature Page to Lease Purchase Agreement]

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

The foregoing instrument was acknowledged before me this ____ day of December, 2021 by _____, as an authorized signatory of Zions Bancorporation, National Association.

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

[NOTARIAL SEAL]

Notary Public

My commission expires:

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

The foregoing instrument was acknowledged before me this ____ day of December, 2021, by Eric Rothaus, Deputy Treasurer, acting on behalf of the State of Colorado, acting by and through the State Treasurer.

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

[NOTARIAL SEAL]

Notary Public

My commission expires:

EXHIBIT A

LEGAL DESCRIPTION OF LAND INCLUDED IN LEASED PROPERTY

[omitted for form of Series 2021S Lease Purchase Agreement appended to Official Statement]

EXHIBIT B

BASE RENT PAYMENT SCHEDULE

[omitted for form of Series 2021S Lease Purchase Agreement appended to Official Statement]

EXHIBIT C

TRUSTEE'S FEES AND EXPENSES

[omitted for form of Series 2021S Lease Purchase Agreement appended to Official Statement]]

FORM OF

STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
SITE LEASE OF _____

by and between

[NAME OF SITE LESSOR],
as site lessor,

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
solely in its capacity as Trustee under the Indenture identified herein,
as site lessee

Dated as of December [9], 2021

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EXHIBIT A – LEGAL DESCRIPTION OF LAND INCLUDED IN LEASED PROPERTY.. A-1

**STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
SITE LEASE OF [NAME OF SITE LESSOR]**

This State of Colorado Building Excellent Schools Today Site Lease (this “Site Lease”) is dated as of December [9], 2021 and is entered into by and between [NAME OF SITE LESSOR] (the “Site Lessor”), as lessor, and Zions Bancorporation, 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 Lease have the meanings assigned to them in the Glossary attached to the State of Colorado Building Excellent Schools Today Master Trust Indenture dated August 12, 2009, as such Glossary has been amended, supplemented and restated by the Glossary attached to the State of Colorado Building Excellent Schools Today 2021S Supplemental Trust Indenture dated December [9], 2021 and as it may further be amended, supplemented and restated from time to time.*

RECITALS

A. The Site Lessor owns the land described in attached Exhibit A 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 “Leased Property”).

B. The Site Lessor is authorized by applicable law, its governing documents, if relevant, and action of its Governing Body to, and will, lease the Leased Property to the Trustee pursuant to this Site Lease. The State Treasurer, on behalf of the State and on the instructions of the Assistance Board, will lease the Leased Property from the Trustee pursuant to the 2021S Lease.

C. The State Treasurer, on behalf of the State, on the instructions of the Assistance Board and as authorized under the Act, will sublease the Leased Property to the Sublessee identified in the Sublease under which the Leased Property is subleased to such Sublessee. Proceeds of the 2021S Certificates issued pursuant to the Indenture will be used to finance the Project of such Sublessee.

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 Lease as if set forth in full herein.

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

(a) The Site Lessor is a Participating K-12 Institution or is the Chartering Authority for a Participating K-12 Institution that is a charter school.

(b) The Site Lessor is duly organized, validly existing and in good standing under Colorado law. The Site Lessor is authorized under applicable law, its governing documents, if relevant, and action of its Governing Body to lease the Leased Property to the Trustee pursuant to this Site Lease and to execute, deliver and perform its obligations under this Site Lease.

(c) The Site Lessor is the owner of the fee interest in the Leased Property, subject only to Permitted Encumbrances.

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

(e) This Site Lease has been duly executed and delivered by the Site Lessor and is enforceable against the Site 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, 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.

(f) 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 Site Lessor is now a party or by which the Site Lessor is bound, or constitute a default under any of the foregoing, violate any Requirement of Law applicable to the Site Lessor, or, except as specifically provided in the 2021S Lease, the Indenture and the Sublease pursuant to which the Leased Property is subleased to the Site Lessor or to a charter school for which the Site Lessor is the Chartering Authority, result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the Site Lessor.

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

(h) The Site Lessor will receive economic and other benefits by the leasing of the Leased Property by the Site Lessor pursuant to this Site Lease. The initial Leased Property leased pursuant to this Site Lease is, and any Leased Property substituted for the initial Leased Property will be, property that is necessary and essential to the purposes and operations of the Site Lessor or a Participating K-12 Institution for which the Site Lessor is the Chartering Authority.

The Site Lessor expects that the Leased Property will adequately serve the needs for which it is being leased throughout the Scheduled Site Lease Term.

(i) The Site Lessor is not aware of any current violation of any Requirement of Law relating to the Leased Property and accepts full responsibility for any prior or future violations of any Requirement of Law relating to environmental issues relating to the Leased Property.

(j) Minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Leased Property that exist with respect to the Leased Property do not materially impair title to the Leased Property.

ARTICLE II

DEMISING CLAUSE; ENJOYMENT OF LEASED PROPERTY

Section 2.01. Demising Clause. The Site 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 “Leased Property” for purposes of this Site Lease) to the Trustee in accordance with the terms of this Site Lease, subject only to Permitted Encumbrances, to have and to hold for the Site Lease Term.

Section 2.02. Enjoyment of Leased Property. The Site Lessor covenants that, during the Site Lease Term and so long as no Event of Default hereunder shall have occurred, the Trustee shall peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Site 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) December [9], 2071;
- (ii) conveyance of the Leased Property to the Site Lessor pursuant to the Sublease relating to the Leased Property;
- (iii) termination of this Site Lease following an Event of Default under this Site Lease in accordance with Section 10.02(a) hereof; or
- (iv) cancellation of the Sublease pursuant to which the Leased Property is subleased pursuant to Section 3.03 of such Sublease.

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

SITE LESSOR IS THIRD PARTY BENEFICIARY OF CERTAIN COVENANTS OF STATE IN 2021S LEASE

The Site Lessor and its successors and assigns are intended third party beneficiaries of the covenants of the State in Articles VI and VII and Section 9.02, 9.03(b) and 12.02 and of the Trustee in Section 9.03(a) of the 2021S Lease (the “Site Lessor Protection Provisions”). If the 2021S Lease is terminated for any reason, this Site Lease is not terminated and the Trustee leases or subleases all or any portion of the Leased Property or assigns an interest in this Site Lease, as a condition to such lease, sublease or assignment, the lessee, sublessee or assignee must execute an instrument, in form and substance reasonably satisfactory to the Site Lessor, that contains substantially the same covenants as the Site Lessor Protection Provisions and names the Site Lessor and its successors and assigns as intended third party beneficiaries of such covenants. Any provision of this Site Lease that is similar to any of the Site Lessor Protection Provisions shall not be interpreted to limit or restrict the rights of the Site Lessor under this Article.

ARTICLE V

RENT

The Trustee is not obligated to pay any rent under this Site Lease. The consideration to the Site Lessor for the right to use the Leased Property during the Site Lease Term is the deposit of proceeds of the 2021S Certificates into the Project Account held by the Trustee under the Indenture to finance the Project of the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority. The provisions of Article IV of this Site Lease are intended to assure that the State or another lessee, sublessee or assignee pays Additional Rent in accordance with the 2021S Lease or an amount equal to the Additional Rent that would have been paid under the 2021S Lease under another instrument executed and delivered pursuant to Article IV of this Site Lease.

ARTICLE VI

TITLE TO LEASED PROPERTY; ENCUMBRANCES, EASEMENTS, MODIFICATIONS, SUBSTITUTION, DAMAGE, PERSONAL PROPERTY

Section 6.01. Title to Leased Property. Title to the Leased Property shall be held in the name of the Site Lessor, subject to this Site Lease, the 2021S Lease and the Sublease of the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority.

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

Section 6.03. Granting of Easements. The Site Lessor shall, at the request of the Trustee or the State consent to grants of easements, licenses, rights of way and other rights or privileges in the nature of easements with respect to the Leased Property on the same terms and in the same manner as the Trustee is required to do so pursuant to Section 7.03 of the 2021S Lease.

Section 6.04. Subleasing and Other Grants of Use. The Trustee is expressly authorized to lease or sublease the Leased Property to the State pursuant to the 2021S Lease. The State is expressly authorized to sublease the Leased Property to the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority as Sublessee pursuant to a Sublease. The Trustee is expressly authorized to lease or sublease the Leased Property to or create other interests in the Leased Property for the benefit of any other Person or Persons in connection with the exercise of the Trustee's remedies under the 2021S Lease and the Indenture following an Event of Default or Event of Nonappropriation under the 2021S Lease.

Section 6.05. Substitution of Other Property for Leased Property. If the State substitutes other real property under the 2021S Lease for any portion of the Site Lessor's Leased Property, the property so substituted under the 2021S Lease may also be substituted for Leased Property under this Site Lease 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 Leased Property, the Net Proceeds received as a consequence thereof shall be deposited and used in accordance with Section 7.07 of the 2021S Lease.

Section 6.07. Condemnation by State or Site Lessor. In the event the State brings an eminent domain or condemnation proceeding with respect to the Leased Property and the 2021S Lease has not terminated, the terms of Section 7.08 of the 2021S Lease shall apply. In the event the Site Lessor brings an eminent domain or condemnation proceeding with respect to the Leased Property and the Sublease pursuant to which the Leased Property is subleased to the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority has not terminated, the terms of Section 8.08 of such Sublease shall apply. If (a) the 2021S Lease or the Sublease pursuant to which the Leased Property is subleased to the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority are terminated for any reason, (b) this Site Lease is not terminated and (c) the Trustee leases or subleases all or any portion of the Leased Property or assigns an interest in this Site Lease to a governmental entity that has eminent domain or condemnation powers, such lease or sublease shall include a provision similar to Section 7.08 of the Sublease pursuant to which the Leased Property is subleased to the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority.

Section 6.08. Personal Property of Trustee, State and Others. The Trustee, the State, the Sublessee and any other Person who has the right to use the Leased Property under this Site Lease, the 2021S Lease or the Sublease pursuant to which the Leased Property is subleased to the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority, at its own expense, may install equipment and other personal property in or on any portion of the Leased Property, which equipment or other personal property shall not become part of the Leased Property

unless it is permanently affixed to the Leased Property or removal of it would materially damage the Leased Property, in which case it will become part of the Leased Property.

ARTICLE VII

LICENSES AND SHARED UTILITIES

Section 7.01. Access Licenses. The Site Lessor grants to the Trustee 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 Site Lessor that is adjacent to but not included in the Leased Property (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 Leased Property; provided that such license shall not conflict with or adversely affect the use of the Access Area by the Site Lessor and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them. The Trustee grants to the Site 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 Leased Property 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 Leased Property.

Section 7.02. Appurtenant Staging Areas Licenses. The Site Lessor grants to the Trustee 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 Site Lessor that is adjacent to but not included in the Leased Property (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 Leased Property and for the maintenance of any nonmaterial encroachments of the improvements constituting the Leased Property; provided that such license shall not adversely affect the use of the Appurtenant Staging Area by the Site Lessor and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them. The Trustee grants to the Site 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 Leased Property 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 Leased Property by the Trustee and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them.

Section 7.03. Offsite Parking Licenses. The Site Lessor grants to the Trustee 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 Site Lessor but not included in the Leased Property (the "Offsite Parking Area") for the purpose of parking of passenger vehicles (buses and similar vehicles excluded) in connection with the use of the Leased Property 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 Site Lessor and its subtenants, successors and assigns, and the tenants, customers, employees and invitees of all of them; and provided, further that, the Site 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 Trustee grants to the Site 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 Leased Property (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 Leased Property by the Site 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 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 Site Lessor with respect to the Offsite Parking Area.

Section 7.04. Shared Utilities. The Site Lessor agrees to provide the Leased Property with all gas, water, steam, electricity, heat, power and other utilities provided by Site Lessor to the Leased Property on the date hereof on a continuous basis except for periods of repair. The Site Lessor shall be entitled to reimbursement for its actual and reasonable costs incurred in providing such utilities, determined in a fair and reasonable manner based on the use of such utilities by the Leased Property or portions thereof, the operational, maintenance and repair costs of such utilities elements and any costs to acquire or relocate any easements or lines relating to or used in connection with the operation of such utilities. Pursuant to the 2021S Lease, the State has agreed to reimburse the Trustee for such costs during the Lease Term of the 2021S Lease. Pursuant to the Sublease pursuant to which the Leased Property is subleased to the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority, the Sublessee under such Sublease, has agreed to reimburse the State for such costs during the Sublease Term of such Sublease. If, (a) the 2021S Lease 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 Leased Property 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 Site 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 Trustee and the Site Lessor shall have full power to carry out the acts and agreements provided herein and the Site Lessor 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 Leased Property 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 Site Lessor shall not take any action with respect to the Leased Property that violates the terms hereof or is contrary to the provisions of any Requirement of Law.

Section 8.03. Participation in Legal Actions. At the request of and at the cost of the Trustee or the State, the Site Lessor shall join and cooperate fully in any legal action in which the Trustee or the State asserts its right to the enjoyment of the Leased Property; that involves the imposition of any charges, costs or other obligations or liabilities on or with respect to the Leased Property or the enjoyment of the Leased Property by the Trustee or the State; or that involves the imposition of any charges, costs or other obligations with respect to the Trustee's execution, delivery and performance of its obligations under this Site Lease or the State's execution, delivery and performance of its obligations under the 2021S Lease.

ARTICLE IX

LIMITS ON OBLIGATIONS

Section 9.01. Disclaimer of Warranties. THE SITE LESSOR 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 LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. In no event shall the Site Lessor be liable for any incidental, special or consequential damage in connection with or arising out of this Site Lease or the existence, furnishing, functioning or use by the Trustee 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 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 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 Site Lessor, unless the Site 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 Site 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 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 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 Site Lessor may take one or any combination of the following remedial steps:

(a) terminate the Site Lease Term and give notice to the Trustee to immediately vacate the Leased Property;

(b) sell or lease its interest in all or any portion of the Leased Property, subject to the purchase option of the Sublessee under the Sublease pursuant to which the Leased Property is subleased to the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority;

(c) 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

(d) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under this Site Lease, 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 Site 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 Site 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 Site 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 LEASED PROPERTY

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

Section 11.02. Transfer of the Trustee's Interest in Lease and Leased Property Prohibited. Except as otherwise permitted by Section 6.04 hereof with respect to subleasing or grants of use of the Leased Property 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 Lease or the Leased Property to any Person, whether now in existence or organized hereafter.

Section 11.03. Conveyance of Leased Property to State Pursuant to 2021S Lease. The parties recognize and agree that, notwithstanding any other provision of this Site Lease, the 2021S Lease or any Sublease, upon conveyance of all the Leased Property subject to the 2021S Lease by the Trustee to the State pursuant to Article VIII of the 2021S Lease and conveyance of the Leased Property subject to this Site Lease by the State to the Sublessee pursuant Section 9.03 of the Sublease applicable to such Leased Property: (a) if the Site Lessor under this Site Lease and the Sublessee under such Sublease are the same, this Site Lease shall terminate; and (b) if the Site Lessor under this Site Lease and the Sublessee are not the same, this Site Lease shall continue with the Sublessee succeeding to the rights and obligations of the Trustee under this Site Lease.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the Trustee and the Site Lessor and their respective successors and assigns, including, but not limited to, the State under the 2021S Lease and the Sublessee under the Sublease pursuant to which the Leased Property is subleased to the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority, subject, however, to the limitations set forth in Article XI hereof. This Site Lease and the covenants set forth herein are expressly intended to be covenants,

conditions and restrictions running with the Leased Property and the leasehold estate in the Leased Property under this Site Lease.

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 applicable to governmental entities, subject to statutory exceptions and modifications, 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 2021S Lease and Sublease. The Trustee has received a copy of, and acknowledges the terms of, the 2021S Lease and the Sublease pursuant to which the Leased Property is subleased to the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority.

Section 12.04. Trustee, State and Site Lessor Representatives. Whenever under the provisions hereof the approval of the Trustee, the State or the Site Lessor is required, or the Trustee, the State or the Site 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 Trustee by the Trustee Representative, for the State by the State Representative and by the Site Lessor by the Site Lessor Representative and the Trustee, the State and the Site Lessor shall be authorized to act on any such approval or request. The Site Lessor Representative is the Superintendent of the Site Lessor or any Person appointed as Site Lessor Representative by such Person.

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 Site Lessor, to [NAME OF SITE LESSOR], Attention: Superintendent, facsimile number: [____]; electronic mail address: [____]; if to the

Trustee, to Zions Bancorporation, National Association, 1001 Seventeenth Street, Suite 850, Denver, Colorado 80202, Attention: Corporate Trust Services, facsimile number: 855-547-6178, electronic mail address: denvercorporatetrust@zionsbank.com; and if to the State, to Colorado State Treasurer, 140 State Capitol, 200 E. Colfax Ave., Denver, CO 80203, Attention: Deputy Treasurer, facsimile number: 303-866-2123, with a copy to Colorado State Controller, 1525 Sherman Street, 5th 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 Site Lessor or the Trustee, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Site Lessor or the Trustee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the Site Lessor 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 Site Lessor or the Trustee 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, Modifications and Release. Except as otherwise provided herein or in the Indenture, this Site Lease may only be amended, changed, modified, altered or released by a written instrument executed by the Site Lessor and the Trustee; and the Trustee shall, if and when requested by the State, execute and deliver any amendment to or release of this Site Lease proposed by the State upon delivery to the Trustee of an opinion of Bond Counsel stating that such amendment or release 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 Leased Property. The legal description of the land included in the Leased Property subject to this Site Lease is set forth in Exhibit A hereto. If the land included in the Leased Property 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 Leased Property 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 Leased Property subject to this Site Lease after such modification or substitution.

Section 12.10. Merger. The State, the Site Lessor, the Trustee and any Sublessee that leases the Leased Property intend that the legal doctrine of merger shall have no application to this Site Lease, the 2021S Lease or the Sublease pursuant to which the Leased Property is subleased to the Site Lessor or a charter school for which the Site Lessor is the Chartering Authority and that

none of the execution and delivery of this Site Lease by the Site Lessor and the Trustee, the 2021S Lease by the Trustee and the State or such Sublease by the State and the Sublessee or the exercise of any remedies by any party under this Site Lease, the 2021S Lease or such Sublease shall operate to terminate or extinguish this Site Lease, the 2021S Lease or such Sublease.

Section 12.11. Severability. In the event that any provision of this Site Lease, other than the obligation of the Site Lessor to provide quiet enjoyment of the Leased Property, 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 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 Site Lessor 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 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 Site Lessor estimates that the value of the land included in the Leased Property as of the date this Site Lease is entered into is \$[_____].

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

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, solely in its capacity as trustee
under the Indenture

By _____
Authorized Signatory

[DISTRICT SEAL]

[NAME OF SITE LESSOR]

By _____
Title: _____

ATTEST:

By _____
Secretary

[Signature Page to Site Lease of [NAME OF SITE LESSOR]]

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

The foregoing instrument was acknowledged before me this ____ day of December, 2021 by _____, as an authorized signatory of Zions Bancorporation, National Association.

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

[NOTARIAL SEAL]

Notary Public

My commission expires:

STATE OF COLORADO)
) ss.
COUNTY OF [_____])

The foregoing instrument was acknowledged before me this ____ day of December, 2021,
by _____, as President, and _____, as Secretary of
[NAME OF SITE LESSOR].

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

[NOTARIAL SEAL]

Notary Public

My commission expires:

EXHIBIT A

LEGAL DESCRIPTION OF LAND INCLUDED IN LEASED PROPERTY

[omitted for form of Series 2021S Site Lease appended to Official Statement]

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FORM OF

**STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
SUBLEASE OF [NAME OF SUBLESSEE]**

by and between

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

and

**PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD,
acting on behalf of the State of Colorado,
both as sublessor**

and

**[NAME OF SUBLESSEE],
as the Sublessee**

Dated as of December [9], 2021

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**STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
SUBLEASE OF [NAME OF SUBLESSEE]**

This State of Colorado Building Excellent Schools Today Sublease of [NAME OF SUBLESSEE] (this “Sublease”) is dated as of December [9], 2021 and is entered into by and between the State of Colorado, acting by and through the State Treasurer, and the Public School Capital Construction Assistance Board, acting on behalf of the State (collectively, the “State”), both as sublessor, and [NAME OF SUBLESSEE], as sublessee (the “Sublessee”). ***Capitalized terms used but not defined in this Sublease have the meanings assigned to them in the Glossary attached to the State of Colorado Building Excellent Schools Today Master Trust Indenture dated August 12, 2009, as such Glossary has been amended, supplemented and restated by the Glossary attached to the State of Colorado Building Excellent Schools Today Series 2021S Supplemental Trust Indenture dated December [9], 2021 and as it may further be amended, supplemented and restated from time to time.***

RECITALS

A. The Sublessee or the Sublessee’s Chartering Authority has leased the Leased Property to the Trustee pursuant to a Site Lease. The State Treasurer, on behalf of the State and on the instructions of the Assistance Board, has leased the Leased Property from the Trustee pursuant to the 2021S Lease.

B. The State, acting by and through the State Treasurer on the instructions of the Assistance Board set forth in Assistance Board Resolution No. 21-[] and as authorized under the Act, and the Assistance Board, acting on behalf of the State and as authorized under the Act, will sublease the Leased Property to the Sublessee pursuant to this Sublease; and the Sublessee is authorized by applicable law, its governing documents, if relevant, and action of its Governing Body to, and will, sublease the Leased Property from the State pursuant to this Sublease.

C. To satisfy the Sublessee’s obligation to pay Matching Moneys to the State with respect to the Sublessee’s Project, the Sublessee, in accordance with Article V hereof, has delivered a Matching Moneys Bond or agreed to pay cash, Matching Moneys Installment Payments or Base Rent to the State.

D. Proceeds of the 2021S Certificates issued pursuant to the Indenture will be used to finance the Project of the Sublessee.

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. Certifications, Representations and Agreements by State. The State hereby certifies, represents and agrees that:

(a) The State Treasurer, pursuant to § 22-43.7-110(2)(f) of the Act, has reviewed this Sublease and, by executing this Sublease, is providing written authorization to the Assistance Board to enter into it. The State Treasurer, acting on behalf of the State, is entering into this Sublease pursuant to the instructions of the Assistance Board set forth in Assistance Board Resolution No. 21-[].

(b) The State is authorized under the Act to lease the Leased Property to the Sublessee pursuant to this Sublease and to execute, deliver and perform its obligations under this Sublease.

(c) This Sublease has been duly executed and delivered by the State and is 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.

(d) The execution, delivery and performance of the terms of this Sublease 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 the 2021S Lease, the Indenture, this Sublease or the Sublessee's Site Lease, result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the State.

(e) There is no litigation or proceeding pending or threatened against the State or any other Person affecting the right of the State to execute, deliver or perform its obligations of the State under this Sublease.

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

(a) The Sublessee is an Eligible K-12 Institution and is duly organized, validly existing and in good standing under Colorado law. The Sublessee is authorized under applicable law, its governing documents, if relevant, and action of its Governing Body to sublease the Leased Property from the State pursuant to this Sublease and to execute, deliver and perform its obligations under this Sublease and, if applicable, the Sublessee's Matching Moneys Bond.

(b) The Sublessee's Project is a capital construction project as defined in the Act and all moneys requisitioned from the Sublessee's Project Account pursuant to Section 4.10 hereof will be used to pay costs of capital construction as defined in the Act.

(c) The execution, delivery and performance of this Sublease and, if applicable, the Sublessee's Matching Moneys Bond have been duly authorized by the Governing Body of the Sublessee.

(d) The Sublessee has received all approvals and consents required for the Sublessee's execution, delivery and performance of its obligations under this Sublease and, if applicable, the Sublessee's Matching Moneys Bond.

(e) This Sublease and, if applicable, the Sublessee's Matching Moneys Bond have been duly executed and delivered by the Sublessee and are valid and binding obligations enforceable against the Sublessee 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.

(f) The execution, delivery and performance of this Sublease and, if applicable, the Sublessee's Matching Moneys Bond do 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 Sublessee is now a party or by which the Sublessee is bound, or constitute a default under any of the foregoing, violate any Requirement of Law applicable to the Sublessee, or, except as specifically provided in the 2021S Lease, the Indenture, this Sublease or the Site Lease pursuant to which the Leased Property is leased to the Trustee or, if applicable, the Sublessee's Matching Moneys Bond result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the Sublessee.

(g) There is no litigation or proceeding pending or threatened against the Sublessee affecting the right of the Sublessee to execute, deliver or perform its obligations under this Sublease or, if applicable, the Sublessee's Matching Moneys Bond.

(h) The Sublessee will receive economic and other benefits by the subleasing of the Leased Property by the Sublessee pursuant to this Sublease. The initial Leased Property is, and any Leased Property substituted for the initial Leased Property will be, property that is necessary and essential to the purposes and operations of the Sublessee. The Sublessee expects that the Leased Property will adequately serve the needs for which it is being subleased throughout the Scheduled Sublease Term.

(i) The Sublessee's Proportionate Share of the Base Rent payable by the State under the 2021S Lease in each Fiscal Year during the Lease Term of the 2021S Lease is not more than the fair value of the use of the Sublessee's Leased Property during such Fiscal Year.

(j) The sum of the Rent payable by the Sublessee under this Sublease and, as applicable, the principal, premium, if any, and interest payable by the Sublessee under its Matching

Moneys Bond or the Matching Moneys Installment Payments payable by the Sublessee in each Fiscal Year during the Sublease Term is not more than the fair value of the use of the Sublessee's Leased Property during such Fiscal Year and does not exceed a reasonable amount so as to place the Sublessee under an economic compulsion to take one of the following actions in order to avoid forfeiting such excess (i) to continue this Sublease beyond any Fiscal Year, (ii) not to exercise its right to terminate this Sublease at any time through an Event of Nonappropriation or (iii) to exercise its option to purchase the Leased Property hereunder. The Sublessee's Purchase Option Price pursuant to Section 9.01 hereof is the Sublessee's current best estimate of the fair purchase price of the Leased Property that will be in effect at the time of exercise of the Sublessee's option to purchase the Leased Property pursuant to such Section. The Scheduled Sublease Term of this Sublease does not exceed the weighted average useful life of the improvements or any other real property improvements included in the Leased Property. In making the representations, covenants and warranties set forth above in this subsection and the immediately preceding subsection of this Section, the Sublessee has given due consideration to the Sublessee's Project, the purposes for which the Leased Property will be used by the Sublessee, the benefits to the Sublessee from the use of the Leased Property, the Sublessee's option to purchase the Leased Property hereunder and the terms of this Sublease governing the use of the Leased Property.

(k) The Sublessee presently intends and expects to continue the Sublease Term annually until title to the Leased Property is acquired by the Sublessee pursuant to this Sublease; but this representation does not obligate or otherwise bind the Sublessee.

(l) The Sublessee is not aware of any current violation of any Requirement of Law relating to the Leased Property and accepts full responsibility for any prior or future violations of any Requirement of Law relating to environmental issues relating to the Leased Property.

(m) The Governing Body of the Sublessee has appropriated sufficient moneys to pay the Additional Rent estimated to be payable hereunder in the current Fiscal Year and, as applicable, the Base Rent, the principal and interest payable under its Matching Moneys Bond or the Matching Moneys Installment Payments payable in the current Fiscal Year.

(n) The certifications, representations and agreements with respect to federal income tax matters set forth in the Tax Compliance Certificate executed and delivered by the Sublessee in connection with the execution and delivery of this Sublease are hereby incorporated in this Sublease as if set forth in full in this subsection.

(o) The Sublessee has not, except as otherwise specifically provided herein, entered into any agreement or arrangement to transfer to any Person all or any portion of its interest in the Leased Property or to any fee title that it may obtain in the real estate to which the Leased Property relates.

ARTICLE II

DEMISING CLAUSE; ENJOYMENT OF LEASED PROPERTY

Section 2.01. Demising Clause. The State demises and leases the State's leasehold estate under the 2021S Lease in the land described in Exhibit A hereto (the "Land" for purposes of this

Sublease) and the buildings, structures and improvements now or hereafter located on the Land (together with the Land, the “Leased Property” for purposes of this Sublease) to the Sublessee in accordance with the terms of this Sublease, subject only to Permitted Encumbrances, to have and to hold for the Sublease Term.

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

ARTICLE III

SUBLEASE TERM; TERMINATION OF SUBLEASE TERM

Section 3.01. Sublease Term.

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

(b) The Sublease Term shall expire upon the earliest of any of the following events:

(i) termination of the 2021S Lease in accordance with its terms;

(ii) June 30 of the Initial Term or June 30 of any Renewal Term during which, in either case, an Event of Nonappropriation under this Sublease has occurred; or

(iii) termination of this Sublease following an Event of Default under this Sublease in accordance with Section 12.02(a) hereof.

Section 3.02. Effect of Termination of Sublease Term. Upon termination of the Sublease Term:

(a) all unaccrued obligations of the Sublessee under this Sublease shall terminate, but all such obligations of the Sublessee that have accrued hereunder prior to such termination shall continue until they are discharged in full;

(b) if the termination occurs because of the occurrence of an Event of Nonappropriation or an Event of Default under this Sublease or because of the termination of the 2021S Lease as a result of an Event of Nonappropriation or an Event of Default under the 2021S Lease, the Sublessee’s right to possession of the Leased Property hereunder shall terminate and (i) the Sublessee shall, within 90 days, vacate the Leased Property; and (ii) if and to the extent the Governing Body of the Sublessee has appropriated funds for payment of Base Rent, if applicable, and Additional Rent payable during, or with respect to the Sublessee’s use of the Leased Property during, the period between termination of the Sublease Term and the date the Leased Property is vacated pursuant to clause (i), the Sublessee shall pay Base Rent, if applicable, to the State and Additional Rent to the Person entitled thereto; and

(c) the obligations of the Sublessee to make payments under the Sublessee's Matching Moneys Bond or Matching Money Installment Payments, as applicable, shall continue until, as applicable, all amounts payable under the Sublessee's Matching Moneys Bond have been paid or the Sublessee's Matching Moneys Bond is redeemed or cancelled in accordance with its terms or all Matching Moneys Installment Payments have been paid.

Section 3.03. Cancellation of Sublease by State. Notwithstanding any other provision hereof, the State, in its sole discretion, may cancel this Sublease at any time if, on or before December [9], 2021, (a) the Trustee has not received the title insurance policy for the Leased Property described in paragraph 1 of the form of Requisition attached as Appendix B to the 2021S Supplemental Indenture (which amends and restates in its entirety the form of Requisition attached to Appendix A to the Master Indenture) and (b) the Sublessee has not entered into and does not have a reasonable expectation that it will enter into one or more Project Contracts for the Sublessee's Project as described in paragraph 2 of the form of Requisition attached as Appendix B to the 2021S Supplemental Indenture (which amends and restates in its entirety the form of Requisition attached to Appendix A to the Master Indenture). The State shall deliver written notice to the Sublessee specifying the effective date of any such cancellation at least 15 days prior to the effective date of the cancellation. Upon cancellation, the Sublessee shall have no further rights under this Sublease, the State may direct the Trustee to use the moneys in the Sublessee's Project Account for the Costs of another Project or for any purpose permitted under the Indenture, the State shall cause the Trustee to cancel and release the Site Lease pursuant to which the Leased Property has been leased to the Trustee and the State shall return to the Sublessee any Matching Moneys paid to the State (including any principal or interest paid on the Sublessee's Matching Moneys Bond) and cancel and return to the Sublessee the Sublessee's Matching Moneys Bond.

ARTICLE IV

PROJECT

Section 4.01. Sublessee to Construct Project in Accordance with Specifications. The Sublessee shall construct the Project (the "Work") in accordance with the Specifications attached hereto as Exhibit B, with such changes in the Specifications, if any, that are approved by the State in writing. In connection with the Work, Sublessee shall provide progress reports to the State prior to the last Business Day of each month.

Section 4.02. Completion Date.

(a) The Sublessee shall cause the Work to be done promptly and with due diligence and shall use its best efforts to cause the Completion Date to occur by the third anniversary of this Sublease (the "Scheduled Completion Date"). The "Completion Date" is the date the Sublessee delivers a certificate (the "Completion Certificate") to the State and the Trustee (i) stating that to the best of the Sublessee's knowledge, based upon the representations of contractors, architects, engineers, vendors or other consultants, (A) the Project has been completed in accordance with Section 4.01 hereof and (B) except for any amounts estimated by the Sublessee to be necessary for payment of any Costs of the Project not then due and payable and costs of the Project included in requisitions that have been submitted to the Trustee but have not yet been paid by the Trustee, all Costs of the Project have been paid; (ii) stating that the real property improved

by the Project has been insured in accordance with Section 7.01 hereof in the dollar amount set forth in such certificate or the certificate of insurance attached thereto; and (iii) to which is attached a certificate of insurance in which the insurer certifies that the real property improved by the Project has been insured by such insurer in the dollar amount set forth therein.

(b) If the Completion Date does not occur by the Scheduled Completion Date for any reason other than Force Majeure, the State or the Trustee, with the consent of the State, may, but shall not be required to, retain a Person other than the Sublessee to complete the Project and recover from the Sublessee all reasonable costs incurred by or on behalf of the State or the Trustee in completing the Project.

Section 4.03. Contractor Guarantees. The Sublessee shall cause each Contractor with which the Sublessee contracts directly to guarantee all Work performed by it or any subcontractor or other Person performing Work on its behalf against defective workmanship and materials for a period of one year after the Completion Date, provided that such one year period shall not begin with respect to any item that is not completed on the Completion Date until such item is completed. The Sublessee shall assign to the State any guarantee of workmanship and materials which it may receive but shall retain the right to enforce such guarantee directly.

Section 4.04. Performance and Payment Bonds. The Sublessee shall require that each Contractor provide a performance bond and a separate labor and material payment bond, each of which shall (a) be executed by a corporate surety licensed to do business in the State, (b) be in customary form, (c) be in the amount payable to such Contractor pursuant to its Project Contract and (d) be payable to the Sublessee. If, at any time prior to completion of the Work covered by any such bond, the surety shall be disqualified from doing business within the State, a new bond shall be provided from an alternate surety licensed to do business in the State. The amount of each bond shall be increased or decreased, as appropriate, to reflect changes to the Specifications orders under Section 4.01 hereof. A copy of each such bond and all modifications thereto shall be furnished to the State within 60 days of the effective date of the related Project Contract. The Sublessee hereby assigns its rights to any proceeds under such bonds to the State and the Trustee.

Section 4.05. Builder's Risk Completed Value Insurance. The Sublessee shall procure and maintain, at its own cost and expense, until the property to which such insurance relates is insured by the Sublessee pursuant to Section 7.01 hereof or, if Section 7.01 does not apply because the property improved by the Project is not included in the Leased Property, until the Project is completed, standard, all risk of loss builder's risk completed value insurance upon property included in or that is imposed by the Project. A certificate of insurance evidencing such insurance shall be provided to the State.

Section 4.06. General Public Liability and Property Damage Insurance. The Sublessee shall require that each Contractor procure and maintain, at its own cost and expense, during such Contractor's Project Contract, standard form comprehensive general public liability and property damage insurance that covers all claims for bodily injury, including death, and claims for destruction of or damage to the property (other than the Work itself), arising out of or in connection with any operations under the Contractor's Project Contract, whether such operations be by the Contractor or by a subcontractor. The insurance shall include the limits and coverage specified for the State of Colorado, Office of the State Architect, State Buildings Programs. Such

policies shall include the State and the Trustee as additional insureds and shall include a provision prohibiting cancellation, termination or alteration except pursuant to the policy. A certificate of insurance evidencing such insurance shall be provided to the State with respect to each Contractor within 60 days of the effective date of the related Project Contract.

Section 4.07. Workers' Compensation Insurance. The Sublessee shall require that each Contractor procure and maintain, at its own cost and expense, workers' compensation insurance as required by Colorado law during the term of its contract, covering all persons working under its Project Contract. Such insurance shall contain a provision that such coverage shall not be canceled, terminated or altered without 30 days' prior written notice to the State and the Trustee. Certificates evidencing such coverage shall be provided to the State.

Section 4.08. Defaults Under Project Contracts. In the event of any default under any Project Contract, or in the event of a breach of warranty with respect to any materials, workmanship or performance or other Work, which default or breach results in frustration of the purpose for which the property improved by the Project was intended, the Sublessee shall promptly proceed, either separately or in conjunction with others, to pursue diligently its remedies, including any remedy against the surety of any bond securing the performance of the Project Contract.

Section 4.09. Assignment of Rights Under Project Contracts. The Sublessee hereby assigns to the State and the Trustee, and each Project Contract shall expressly provide that the State and the Trustee shall have, the right to enforce each Project Contract against the Contractor (a) following termination of this Sublease and (b) in any case where, in the reasonable judgment of the State or the Trustee, with the consent of the State, the Sublessee has failed to enforce the terms of such Project Contract in a manner consistent with the obligations of the Sublessee under this Sublease.

Section 4.10. Costs of the Project.

(a) The Sublessee, with the approval of the State, may withdraw available money from the Sublessee's Project Account in an amount up to the proceeds of the Series 2021S Certificates and Allocated Investment Earnings deposited into the Sublessee's Project Account pursuant to the Indenture to pay, or reimburse the Sublessee for the payment by Sublessee of, Costs of the Sublessee's Project by delivering to the Trustee a Requisition in the form of Appendix B to the 2021S Supplemental Indenture (which amends and restates in its entirety the form of Requisition attached to Appendix A to the Master Indenture), signed by the Sublessee Representative and with the State's approval evidenced by the signature of the State Representative. If more than one Project Account has been established pursuant to the Indenture to pay Costs of the Sublessee's Project, the term Project Account in this subsection shall include all such Project Accounts and moneys shall be withdrawn from such Project Accounts pursuant to this subsection in the order provided in the Indenture. The Sublessee shall provide the Assistance Board with all documentation for each submitted Requisition including individual invoices, detail on the State approved line item budget being expended, a summary of invoice categories, detail of any necessary budget adjustments and any other information requested or required by the Assistance Board to justify the expenditure and verify budget items for the Project.

(b) If the Sublessee has satisfied its obligation to pay Matching Moneys with respect to its Project by delivering a cash payment and if Exhibit D hereto states that a specified amount of money in the Assistance Fund will be available to pay a portion of the Costs of the Sublessee's Project, after the Sublessee has withdrawn all moneys that it may withdraw from the Sublessee's Project Account pursuant to subsection (a) of this Section, the Sublessee, with the approval of the State, may withdraw money from the Assistance Fund in an amount up to the amount specified in Exhibit D hereto to pay, or reimburse the Sublessee for the payment by Sublessee of, Costs of the Sublessee's Project by delivering to the Assistance Board a Requisition in the form of Exhibit E hereto, signed by the Sublessee Representative and with the State's approval evidenced by the signature of the State Representative.

(c) Upon and effective on each date a Requisition is signed and delivered to the Trustee pursuant to subsection (a) of this Section or to the Assistance Board pursuant to subsection (b) of this Section, the representations of the Sublessee set forth in such Requisition are incorporated in this Sublease as if set forth herein in full.

(d) The Sublessee shall submit a final Requisition to the Trustee pursuant to subsection (a) of this Section or to the Assistance Board pursuant to subsection (b) of this Section, as applicable, no later than six months after the Scheduled Completion Date unless otherwise approved by the State.

Section 4.11. Excess Costs and Project Account Balances. The Sublessee shall pay all Costs of the Project that exceed the moneys that may be withdrawn from the Sublessee's Project Account and the Assistance Fund pursuant to Section 4.10 hereof from sources other than money withdrawn from the Sublessee's Project Account and the Assistance Fund pursuant to Section 4.10 hereof. If the Costs of the Project are less than the amount of the moneys that may be withdrawn from the Sublessee's Project Account and the Assistance Fund pursuant to Section 4.10 hereof, such moneys shall be transferred to the State Expense Fund.

Section 4.12. Compliance with Tax Certificate. The Sublessee shall comply with the provisions of the Tax Compliance Certificate executed and delivered by the Sublessee in connection with the execution and delivery of this Sublease that are applicable to the construction of the Project, including but not limited to, if the Tax Compliance Certificate provides that such standards are applicable to the Sublessee's Project, complying with the prevailing wage standards under 40 U.S.C. § 3141 (sometimes referred to as the Davis Bacon Act).

Section 4.13. Records and Progress Reports. The Sublessee shall maintain copies of all requisition forms and Project Contracts, including but not limited to subcontracts, purchase orders and procurement documents, and provide copies to the State and the Assistance Board upon request. All such documents and records relating to the Project shall be retained by the Sublessee during the term of this Sublease and shall be provided to the State upon request. The Trustee is required under the Indenture to provide to the Sublessee at its request an accounting of all receipts and disbursements from the Sublessee's Project Account. The Sublessee shall provide monthly progress reports to the Assistance Board, which progress reports shall provide at a minimum, photos of the Project, a current line item budget, a current Project budget compared to the State approved Project budget, and an updated Project schedule compared to the State approved Project schedule.

ARTICLE V

MATCHING MONEYS

Section 5.01. Sublessee's Obligation to Pay Matching Moneys. Certain information regarding the Sublessee's obligation to pay Matching Moneys with respect to its Project is set forth in Exhibit D hereto.

(a) ***No Matching Moneys.*** If Exhibit D hereto provides that there are no Matching Moneys, the Sublessee is not obligated to pay Matching Moneys with respect to its Project.

(b) ***Cash Payment.*** If Exhibit D hereto provides that the source of Matching Moneys is a cash payment, the Sublessee has satisfied its obligation to pay Matching Moneys by paying cash to the State on the date this Sublease is executed and delivered. If Exhibit D states that a specified amount of money in the Assistance Fund will be available to pay a portion of the Costs of the Sublessee's Project, the Sublessee shall be authorized to withdraw money, up to the amount specified in Exhibit D hereto, to pay Costs of the Sublessee's Project in accordance with, and subject to the terms of Section 4.10(b) hereof.

(c) ***Base Rent.*** If Exhibit D hereto provides that the source of Matching Moneys is Base Rent, the Sublessee shall, subject only to the provisions of Article VI hereof, pay Base Rent to the State during the Lease Term in immediately available funds in the amounts and on the Base Rent Payment Dates set forth in Exhibit D hereto.

(d) ***Matching Moneys Bond.*** If Exhibit D hereto provides that the source of Matching Moneys is a Matching Moneys Bond, the Sublessee has satisfied its obligation to pay Matching Moneys with respect to its Project by issuing and delivering to the State the Sublessee's Matching Moneys Bond on the date this Sublease is executed.

(e) ***Matching Moneys Installment Payments.*** If Exhibit D hereto provides that the source of Matching Moneys is Matching Moneys Installment Payments, the Sublessee shall make cash payments in immediately available funds to the State in the amounts, on the payment dates and from the sources set forth in Exhibit D hereto. Notwithstanding any other provision hereof, the obligation of a Sublessee to pay a Matching Moneys Installment Payment in any Fiscal Year beyond the Sublessee's current Fiscal Year is subject to appropriation of such Matching Moneys Payment by the Governing Body of such Sublessee. The officer of the Sublessee who is responsible for formulating budget proposals with respect to Matching Moneys Installment Payments is hereby directed to include as a line item in each annual budget proposal submitted to the Governing Body of the Sublessee for any Fiscal Year in which an Matching Moneys Installment Payment is payable the entire amount of the Matching Moneys Installment Payment payable during such Fiscal Year; it being the intention of the Sublessee that any decision to pay or not to pay such Matching Moneys Installment Payment shall be made solely by the Governing Body of the Sublessee, in its sole discretion, and not by any department, agency or official of the Sublessee. If the Sublessee intends to fund its Matching Moneys Installment Payments from the proceeds of a grant, the Governing Body of the Sublessee agrees to use its best efforts to comply with the terms of the grant and to pay all proceeds of the grant when received by the Sublessee.

(f) ***Special Arrangements.*** Any special arrangement regarding the Sublessee's Matching Moneys that does not fit the categories described in subsections (a) through (e) of this Section shall be described in Exhibit D hereto.

(g) ***More Than One Source.*** If Exhibit D hereto provides that there is more than one source of Matching Moneys, the provisions hereof regarding the payment of Matching Moneys shall apply to each such source separately.

Section 5.02. Obligations and Rights with respect to Matching Moneys Bond and Matching Moneys Installment Payments Independent of Sublease. The obligations of the Sublessee and the rights of the State with respect to the Sublessee's Matching Moneys Bond or the Sublessee's Matching Moneys Installment Payments, as applicable, are independent of the obligations of the Sublessee and the rights of the State under this Sublease and, except as otherwise specifically provided herein, (a) the obligations of the Sublessee and the rights of the State with respect to the Sublessee's Matching Moneys Bond or the Sublessee's Matching Moneys Installment Payments, as applicable, shall survive the termination of this Sublease and (b) no failure to perform or other action of the State with respect to this Sublease shall affect the State's rights to enforce the obligations of the Sublessee to make payments under the Sublessee's Matching Moneys Bond or to pay its Matching Moneys Installment Payments, as applicable.

Section 5.03. Use of Matching Moneys. The State shall deposit Matching Moneys it receives into the Assistance Fund.

Section 5.04. References to Cash Payments of Matching Moneys, Base Rent, Matching Moneys Bonds, and Matching Moneys Installment Payments. The State has entered into many, and in the future will enter into many more, subleases similar to this Sublease pursuant to which the sublessees will satisfy their obligations to pay Matching Moneys in a variety of ways. In order to assist the State in administering such subleases, the subleases have been drafted to be as uniform as practicable, including the inclusion of references to cash payments of Matching Moneys that are not applicable to the Sublessee if it is not satisfying its obligations to pay Matching Moneys by making cash payments, references to Base Rent that are not applicable to the Sublessee if the Sublessee is not satisfying its obligation to pay Matching Moneys by paying Base Rent, references to Matching Moneys Bonds that are not applicable to the Sublessee if the Sublessee is not satisfying its obligation to pay Matching Moneys by delivering a Matching Moneys Bond and references to Matching Moneys Installment Payments that are not applicable to the Sublessee if the Sublessee is not satisfying its obligation to pay Matching Moneys by paying Matching Moneys Installment Payments. In applying the terms of this Sublease to the Sublessee, (a) references to cash payments of Matching Moneys apply to the Sublessee only if the Sublessee is satisfying its obligation to pay Matching Moneys by making a cash payment, (b) references to Base Rent apply to the Sublessee only if the Sublessee is satisfying its obligation to pay Matching Moneys by paying Base Rent, (c) references to Matching Moneys Bonds apply to the Sublessee only if the Sublessee is satisfying its obligation to pay Matching Moneys by delivering a Matching Moneys Bond and (d) references to Matching Moneys Installment Payments apply to the Sublessee only if the Sublessee is satisfying its obligation to pay Matching Moneys by paying Matching Moneys Installment Payments.

ARTICLE VI

RENT; EVENT OF NONAPPROPRIATION

Section 6.01. Base Rent. If the Sublessee is satisfying its obligation to pay Matching Moneys by paying Base Rent, the Sublessee shall, subject only to the other Sections of this Article, pay Base Rent to the State during the Lease Term in immediately available funds in the amounts and on the Base Rent Payment Dates set forth in Exhibit D hereto.

Section 6.02. Additional Rent. Regardless of the manner in which the Sublessee is satisfying its obligation to pay Matching Moneys, the Sublessee shall, subject only to the other Sections of this Article, pay Additional Rent in immediately available funds in the amounts and on the dates on which it is due. The Sublessee shall pay all Additional Rent that specifically relates to the Leased Property subject to the Sublease directly to the Person or Persons to which it is owed. The Sublessee shall pay its Proportionate Share of any Additional Rent that does not specifically relate to the Leased Property subject to this Sublease that the State, in its sole discretion, determines should be paid by the Participating K-12 Institutions, to the State within 14 days of notice from the State or the Trustee of the amount due. The State's determinations as to whether any Additional Rent is specifically related to the Leased Property subject to this Sublease and as to whether any Additional Rent not specifically related to the Leased Property subject to this Sublease should be paid by the Participating K-12 Institutions, shall be binding on and shall not be subject to dispute or negotiation by the Sublessee. It is the expectation of the State that Additional Rent payable to the State pursuant hereto will not be significant.

Section 6.03. Unconditional Obligations. The obligation of the Sublessee to pay Base Rent, if applicable, during the Sublease Term shall, subject only to the other Sections of this Article, and the obligation of the Sublessee to pay Additional Rent during the Sublease Term shall, subject only to the other Sections of this Article, including, without limitation, Sections 6.04 and 6.05 hereof, be absolute and unconditional and shall not be abated or offset for any reason related to the Leased Property. Notwithstanding any dispute between the Sublessee and the State or between the Sublessee or the State and any other Person relating to the Leased Property, the Sublessee shall, during the Sublease Term, pay all Rent when due; the Sublessee shall not withhold any Rent payable during the Sublease 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 Sublessee of any rights, claims or defenses which the Sublessee may assert; and no action or inaction on the part of the State shall affect the Sublessee's obligation to pay Rent during the Sublease Term.

Section 6.04. Event of Nonappropriation.

(a) The officer of the Sublessee who is responsible for formulating budget proposals with respect to payments of Rent is hereby directed (i) to estimate the Additional Rent payable in the next ensuing Fiscal Year prior to the submission of each annual budget proposal to the Governing Body of the Sublessee during the Sublease Term and (ii) to include as a line item in each annual budget proposal submitted to the Governing Body of the Sublessee during the Sublease Term the entire amount of Base Rent scheduled to be paid and Additional Rent estimated to be payable during the next ensuing Fiscal Year; it being the intention of the Sublessee that any

decision to continue or to terminate the Sublease Term shall be made solely by the Governing Body of the Sublessee, in its sole discretion, and not by any other department, agency or official of the Sublessee.

(b) An Event of Nonappropriation shall be deemed to have occurred, subject to the Sublessee's right to cure pursuant to subsection (c) of this Section, on June 30 of any Fiscal Year if the Governing Body of the Sublessee 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 1 of the next ensuing Fiscal Year, (i) the Governing Body of the Sublessee has appropriated or otherwise authorized the expenditure of amounts sufficient to avoid an Event of Nonappropriation under subsection (b) of this Section and (ii) the Sublessee has paid all Additional Rent due during the period from June 30 through the date of such appropriation or authorization.

(d) If the Sublessee shall determine to exercise its annual right to terminate the Sublease Term effective on June 30 of any Fiscal Year, the Sublessee shall give written notice to such effect to the State not later than March 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 Sublessee from terminating this Sublease or (iii) result in any liability on the part of the Sublessee.

(e) The Sublessee shall furnish the State with copies of all appropriation or expenditure authorization measures relating to Rent or the Purchase Option Price promptly upon the adoption thereof by the Governing Body of the Sublessee, but not later than 20 days following the adoption thereof by the Governing Body of the Sublessee; provided however, that a failure to furnish copies of such measures shall not (i) constitute an Event of Default, (ii) prevent the Sublessee from terminating this Sublease or (iii) result in any liability on the part of the Sublessee.

Section 6.05. Limitations on Obligations of Sublessee.

(a) The obligation of the Sublessee to pay (i) Rent hereunder and (ii) all other payments by the Sublessee hereunder except cash Matching Moneys payments (which must be paid on the date this Sublease is executed and delivered) and amounts payable pursuant to any Matching Money Bond (which are debt of the Sublessee) shall constitute currently appropriated expenditures of the Sublessee. All obligations of the Sublessee under this Sublease (except obligations to pay cash Matching Moneys payments and amounts payable pursuant to any Matching Moneys Bond) shall be subject to the action of the Governing Body of the Sublessee in annually making moneys available for payments hereunder. The obligations of the Sublessee to pay Rent and Matching Moneys Installment Payments and such other obligations (except cash Matching Moneys payments and amounts payable pursuant to any Matching Money Bond) are subject to appropriation by the Governing Body of the Sublessee in its sole discretion, and shall not be deemed or construed as creating an indebtedness of the Sublessee 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 Sublessee and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the Sublessee within the meaning of Section 20(4) of Article X

of the State Constitution. In the event the Sublessee does not renew the Sublease Term, the sole security available to the State, as sublessor under this Sublease, for any such obligation of the Sublessee under this Sublease shall be the Leased Property.

(b) All of the Sublessee's obligations under this Sublease (except cash Matching Moneys payments and amounts payable pursuant to any Matching Moneys Bond) shall be subject to the Sublessee's annual right to terminate this Sublease upon the occurrence of an Event of Nonappropriation.

(c) The Sublessee shall be under no obligation whatsoever to exercise its option to purchase the Leased Property pursuant to Article IX hereof.

Section 6.06. No Right to Compel Payment of Rent or Matching Moneys by State or another Participating K-12 Institution. The Sublessee shall have no right to compel the State or any other Participating K-12 Institution to pay any Rent under any Lease or Rent, Matching Moneys or Matching Moneys Installment Payments under any Sublease or Participation Agreement or to pay the principal of, premium, if any, and interest on any Matching Moneys Bond and neither the State nor any such other Participating K-12 Institution shall have any liability to the Sublessee for a failure by the State to pay Rent under any Lease or a failure by any such other Participating K-12 Institution to pay such other Participating K-12 Institution's Rent, Matching Moneys or Matching Moneys Installment Payments under any such other Sublease or Participation Agreement or principal, premium, if any, or interest on its Matching Moneys Bond for any reason.

ARTICLE VII

OPERATION, MAINTENANCE AND INSURANCE OF LEASED PROPERTY

Section 7.01. Taxes, Utilities and Insurance.

(a) The Sublessee shall pay, as Additional Rent, all of the following expenses with respect to the Leased Property:

(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 Leased Property (including but not limited to, amounts paid to a Site Lessor for utilities provided by such Site Lessor pursuant to a Site Lease);

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

(iv) public liability insurance with respect to the activities to be undertaken by the Sublessee in connection with the Leased Property, the Sublessee's Project and this Sublease: (A) to the extent such activities result in injuries for which immunity is not 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 Sublessee may be liable to third

parties thereunder and (B) for all other activities, in an amount not less than \$1,000,000 per occurrence.

(b) Except for Permitted Encumbrances, the Sublessee shall not allow any liens for taxes, assessments, other governmental charges or utility charges to exist with respect to any portion of the Leased Property. If the Sublessee shall first notify the Trustee and the State of the intention of the Sublessee to do so, the Sublessee 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 or the State shall notify the Sublessee that, in the opinion of Independent Counsel, whose fees and expenses shall be paid by the Sublessee, by nonpayment of any such item the interest of the Trustee or the State in the Leased Property will be materially interfered with or endangered or the Leased Property 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 Sublessee, the State will cooperate fully with the Sublessee 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 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, the Sublessee 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, the Sublessee or the Trustee without first giving written notice thereof to the State, the Sublessee 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 Leased Property shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the State or any Sublessee; and (vii) each insurance policy shall explicitly waive any co insurance penalty.

(d) In the Sublessee's discretion, 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 may be provided through a self-insurance program described in this subsection. If the property of the Sublessee is covered by the Colorado School Districts Self Insurance Pool, the self-insurance program shall be the Colorado School Districts Self Insurance Pool. If the property of the Sublessee is not covered by the Colorado School Districts Self Insurance Pool, the self-insurance program may, with the State's consent, be the Sublessee's independent risk management program, if any.

(e) At the request of the State or the Trustee, the Sublessee shall cause one or more insurance consultants to annually review the self-insurance program through which insurance is provided pursuant to this Section and confirm that it is maintained on an actuarially sound basis.

Section 7.02. Maintenance and Operation of Leased Property. The Sublessee shall maintain, preserve and keep the Leased Property, or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, subject to normal wear and tear, shall operate the Leased Property, or cause the Leased Property 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 8.05 and 8.07 hereof.

Section 7.03. Capital Renewal Reserve. The Sublessee shall establish a capital renewal budget and make annual contributions to a capital renewal reserve as defined in § 22-43.7-109(4)(d) of the Act for the purpose of replacing major systems of the Project with projected life cycles such as roofs, interior finishes, electrical systems and heating, ventilating and air conditioning systems.

ARTICLE VIII

TITLE TO LEASED PROPERTY; ENCUMBRANCES, EASEMENTS, MODIFICATIONS, SUBSTITUTION, DAMAGE, PERSONAL PROPERTY

Section 8.01. Title to Leased Property. Title to the leasehold estate in the Leased Property under the 2021S Lease shall be held in the name of the State, subject to the Site Lease pursuant to which the Leased Property is leased to the Trustee, the 2021S Lease and this Sublease, until the Leased Property is conveyed or otherwise disposed of as provided herein, and the Sublessee shall have no right, title or interest in the Leased Property except as expressly set forth herein.

Section 8.02. Limitations on Disposition of and Encumbrances on Leased Property.

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

(b) Notwithstanding subsection (a) of this Section, if the Sublessee shall first notify the Trustee and the State of the intention of the Sublessee to do so, the Sublessee may in good faith contest any such mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, 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 or the State has notified the Sublessee that, in the opinion of Independent Counsel, whose fees shall be paid by the Sublessee, by failing to discharge or satisfy such item the interest of the Trustee or the State in the Leased Property will be materially interfered with or endangered, or the Leased Property 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 Sublessee of the right to continue to contest such item. At the request of the Sublessee, the State will cooperate fully with the Sublessee in any such contest.

Section 8.03. Granting of Easements. As long as no Event of Nonappropriation or Event of Default shall have happened and be continuing, the State shall, at the request of the Sublessee and with the consent of the Trustee:

(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 Leased Property, free from this Sublease and the 201S Lease 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 Leased Property, free from this Sublease or the 201S Lease 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: (i) a copy of the instrument of grant or release; and (ii) a written application signed by the Sublessee Representative requesting such instrument and stating that such grant or release will not materially adversely affect the value, or interfere with the effective use or operation, of the Leased Property.

Section 8.04. Subleasing and Other Grants of Use. The Sublessee may sublease or otherwise grant the right to use such Leased Property to another Person, but only if:

(a) the sublease or grant of use by the Sublessee complies with the covenant in Section 10.04 hereof; and

(b) the obligations of the Sublessee under this Sublease shall remain obligations of the Sublessee, and the Sublessee shall maintain its direct relationship with the State, notwithstanding any such sublease or grant of use.

Section 8.05. Modification of Leased Property. The Sublessee, at its own expense, may remodel, or make substitutions, additions, modifications or improvements to, its portion of the Leased Property, provided that: (a) such remodeling, substitutions, additions, modifications and improvements (i) shall not in any way damage such portion of the Leased Property as it existed prior thereto and (ii) shall become part of the Leased Property; (b) the value of the Leased Property after such remodeling, substitutions, additions, modifications and improvements shall be at least as great as the value of the Leased Property prior thereto; (c) the cost of all remodeling, substitutions, additions, modifications and improvements shall not exceed 10% of the sum of the proceeds of the Series 201S Certificates and Allocated Investment Earnings deposited into the Sublessee's Project Account without the written approval of the State; and (d) the Leased Property, after such remodeling, substitutions, additions, modifications and improvements, shall continue to be used as provided in, and shall otherwise be subject to the terms of, this Sublease.

Section 8.06. Substitution of or Additions to Leased Property. The Sublessee, with the consent of the State, which may be granted or withheld at the sole discretion of the State, may at any time propose that other property (the title to which was not insured under a title insurance policy previously provided to the State and the Trustee) be substituted for or added to the Leased Property subject to the Sublease under both the 2021S Lease and this Sublease. Any such proposal must be accompanied by the items listed below in form and substance satisfactory to the State. If the items listed below are delivered, the State consents to the substitution or addition and the Sublessee pays the costs of the substitution or addition, the State shall, and shall cooperate with the Sublessee to cause the Trustee to execute and deliver any documents or instruments requested by the Sublessee to accomplish the substitution or addition. The items are:

(a) A certificate by the Sublessee certifying that, following such substitution or addition, the Fair Market Value of the substituted or modified property, determined as of the date of substitution or addition, is equal to or greater than the Fair Market Value of the Leased Property subject to this Sublease.

(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 Sublessee and the State to make the title insurance representation set forth in the form of Project Account requisition attached as Appendix B to the 2021S Supplemental Indenture.

(c) A certificate by the Sublessee certifying that (i) the useful life of the substituted or modified property extends to or beyond the final maturity of the Series 2021S Certificates and (ii) the substituted or modified property is at least as essential to the Sublessee as the Leased Property subject to this Sublease.

(d) An agreement by the Sublessee to pay all costs incurred by the Sublessee, the State, the Trustee or any other Person in connection with the substitution or addition, including but not limited to, the costs of the title insurance required by clause (b) of this Section, the Trustee's fees and expenses, the State's third party costs and reasonable charges for the time of State employees and allocable overhead.

(e) An opinion of Bond Counsel to the effect that such substitution or addition is permitted by Section 7.06 of the 2021S Lease, will not cause the Sublessee to violate its tax covenant set forth in Section 10.04 hereof and will not cause the State to violate its tax covenant set forth in Section 9.04 of the 2021S Lease.

Section 8.07. Property Damage, Defect or Title Event.

(a) If a Property Damage, Defect or Title Event occurs with respect to any portion of the Leased Property, 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 Leased Property 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 Leased Property and any excess shall be delivered to the Sublessee.

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

(i) to use the Net Proceeds to promptly repair, restore, modify or improve or replace the affected portion of the Leased Property with property of a value equal to or in excess of the value of such portion of the Leased Property, in which case the Net Proceeds shall be used to pay a portion of the costs thereof and the Sublessee shall, subject to Article VI hereof, pay the remainder of such costs as Additional Rent;

(ii) to substitute property for the affected portion of the Leased Property pursuant to Section 8.06 hereof, in which case the Net Proceeds shall be delivered to the Sublessee; or

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

(d) The Sublessee 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 Leased Property without the written consent of the State and the Trustee.

(e) No Property Damage, Defect or Title Event shall affect the obligation of the Sublessee to pay Additional Rent hereunder.

Section 8.08. Condemnation by Sublessee. The Sublessee agrees that, to the extent permitted by law, in the event it brings an eminent domain or condemnation proceeding with respect to the Leased Property, such proceeding shall be with respect to all the Leased Property and the value of the Leased Property for purposes of such proceeding shall be not less than the Sublessee's Purchase Option Price.

Section 8.09. Personal Property of State or Sublessee. The State or the Sublessee, at their own expense, may install equipment and other personal property in or on any portion of the Leased Property, which equipment or other personal property shall not become part of the Leased Property unless it is permanently affixed to the Leased Property or removal of it would materially damage the Leased Property, in which case it will become part of the Leased Property.

ARTICLE IX

SUBLESSEE'S PURCHASE OPTION; CONVEYANCE TO SUBLESSEE UPON CONVEYANCE TO STATE

Section 9.01. Sublessee's Purchase Option.

(a) The Sublessee is hereby granted the option to purchase all, but not less than all, of the Leased Property subject to this Sublease following the occurrence of an Event of Default or an Event of Nonappropriation under the 2021S Lease by paying to the Trustee the "Sublessee's Purchase Option Price," which is an amount equal to (i) the principal amount of the Attributable Certificates (defined below in this subsection) and interest thereon through the closing date for the purchase of the Leased Property and (ii) all Additional Rent payable through the date of conveyance of such Leased Property to the Sublessee pursuant to Section 9.02 hereof, including, but not limited to, all fees and expenses of the Trustee and all expenses of the State relating to the conveyance of the Leased Property and the payment of the Attributable Certificates.

As used in this subsection, the term "Attributable Certificates" means, subject to the next sentence, (i) a principal amount of the Outstanding Series 2021S Certificates determined by multiplying the principal amount of all the Outstanding Series 2021S Certificates by a fraction, the numerator of which is the sum of the proceeds of the Series 2021S Certificates and the Allocated Investment Earnings deposited into the Sublessee's Project Account and the denominator of which is sum of the proceeds of the Series 2021S Certificates and the Allocated Investment Earnings deposited into the Project Accounts of all 2021S Sublessees; and (ii) which principal amount shall be allocated among the maturities of the Outstanding Series 2021S Certificates in proportion to the principal amount of each maturity of the Outstanding Series 2021S Certificates, rounded to the nearest \$5,000 in principal amount of each such maturity. Notwithstanding the preceding sentence, if any portion of the Series 2021S Certificates has been paid, redeemed or defeased with the proceeds of another Series of Certificates, in applying this definition, Outstanding Certificates of the portion of the other Series of Certificates the proceeds of which were used to pay, redeem or defease the Series 2021S Certificates shall be substituted for the Series 2021S Certificates that were paid, redeemed or defeased. The rounding pursuant to the first sentence of this definition and the substitution of Outstanding Certificates of another Series of Certificates pursuant to the immediately preceding sentence 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 Leased Property pursuant to subsection (a) of this Section, the Sublessee must: (i) give written notice to the Trustee and the State within 15 Business Days after the Sublessee is notified by the Trustee that an Event of Default or an Event of Nonappropriation under the 2021S Lease has occurred (A) stating that the Sublessee intends to purchase the Leased Property pursuant to this Section, (B) identifying the Person to which the Leased Property is to be conveyed, (C) identifying the source of funds it will use to pay Sublessee's Purchase Option Price and (D) specifying a closing date for such purpose which is no more than 90 days after the delivery of such notice; and (ii) pay the Sublessee's Purchase Option Price to the Trustee in immediately available funds on the closing date.

(c) Upon payment of the Sublessee's Purchase Option Price to the Trustee pursuant to this Section, the Sublessee's obligation to pay, as applicable, Base Rent, principal of, premium, if any, and interest on its Matching Moneys Bond or Matching Moneys Installment Payments shall terminate and, if the Sublessee has delivered a Matching Moneys Bond, the State shall cancel such Matching Moneys Bond or return it to the Sublessee, as directed by the Sublessee.

Section 9.02. Conveyance of Leased Property. At the closing of any purchase of the Leased Property pursuant to Section 9.01 hereof, the State shall execute and deliver, and shall cooperate with the Sublessee to cause the Trustee to execute and deliver, to the Sublessee all necessary documents assigning, transferring and conveying to the Sublessee or its designee the same ownership interest in the Leased Property that was conveyed to the Trustee by the Site Lessor under its Site Lease to the Trustee, subject only to the following: (i) Permitted Encumbrances, other than this Sublease, the 2021S Lease, the Indenture and the Site Lease pursuant to which the Leased Property was leased to the Trustee; (ii) all liens, encumbrances and restrictions created or suffered to exist by the Trustee or the State as required or permitted by the 2021S Lease or this Sublease or arising as a result of any action taken or omitted to be taken by the Trustee or the State as required or permitted by this Sublease, the 2021S Lease, the Indenture, the Site Lease pursuant to which the Leased Property was leased to the Trustee; (iii) any lien or encumbrance created or suffered to exist by action of the Sublessee; and (iv) those liens and encumbrances (if any) to which the Leased Property was subject when acquired by the Trustee and the State.

Section 9.03. Conveyance to Sublessee upon Conveyance to State. If the Sublessee has complied with and performed all of its obligations under this Sublease and its Matching Moneys Bond, upon the conveyance of the Leased Property to the State pursuant to Section 8.04 of the 2021S Lease, the State shall assign, transfer and convey its ownership interest in the Leased Property to the Sublessee or its designee in the manner described in, and subject to the provisions of, Section 9.02 hereof without any additional payment by the Sublessee. Such conveyance of the State's ownership interest in the Leased Property will not, however, extinguish or otherwise affect the Sublessee's independent obligations to continue to pay any unpaid principal of, premium, if any, and interest on its Matching Moneys Bond pursuant to the terms of its Matching Moneys Bond or to pay its Matching Money Installment Payments hereunder.

ARTICLE X

GENERAL COVENANTS

Section 10.01. Further Assurances and Corrective Instruments. So long as this Sublease is in full force and effect and no Event of Nonappropriation or Event of Default shall have occurred, the State and the Sublessee shall have full power to carry out the acts and agreements provided herein and the Sublessee and the State, 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 Leased Property leased or intended to be leased hereunder, or for otherwise carrying out the intention of or facilitating the performance of this Sublease.

Section 10.02. Compliance with Requirements of Law. On and after the date hereof, neither the State nor the Sublessee shall take any action with respect to the Leased Property 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 Sublessee, in particular, shall use the Leased Property in a manner such that (a) the Leased Property at all times is operated in compliance with all Requirements of Law; (b) all permits required by Requirements of Law in respect of the Sublessee's use of the Leased Property 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 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 Leased Property 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 Leased Property 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 Leased Property, 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 Leased Property or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Leased Property in violation of any Requirements of Law.

Section 10.03. Participation in Legal Actions.

(a) At the request of and at the cost of the Sublessee (payable as Additional Rent hereunder), the State shall, and shall cooperate with the Sublessee to cause the Trustee to, join and cooperate fully in any legal action in which the Sublessee asserts its right to the enjoyment of the Leased Property; that involves the imposition of any charges, costs or other obligations or liabilities on or with respect to the Leased Property or the enjoyment of the Leased Property by the Sublessee; or that involves the imposition of any charges, costs or other obligations with respect to the Sublessee's execution, delivery and performance of its obligations under this Sublease, the Sublessee's Matching Moneys Bond or the Site Lease pursuant to which the Leased Property was leased to the Trustee.

(b) At the request of the State or the Trustee, the Sublessee shall, at the cost of the Sublessee (payable as Additional Rent hereunder), join and cooperate fully in any legal action in which the State or the Trustee asserts its ownership of or interest in the Leased Property; that involves the imposition of any charges, costs or other obligations on or with respect to the Leased Property for which the Trustee or the State is responsible under the 2021S Lease or this Sublease; or that involves the imposition of any charges, costs or other obligations with respect to the execution and delivery or acceptance of this Sublease, the Sublessee's Matching Moneys Bond, the Site Lease pursuant to which the Leased Property was leased to the Trustee, the 2021S Lease or the Indenture by the State or the Trustee or the performance of the obligations of the State or the Trustee hereunder or thereunder.

Section 10.04. Tax Covenant of Sublessee. The Sublessee (a) will not use or permit any other Person to use its Project and will not use, invest or direct any other Person to use or invest any moneys that it withdraws from its Project Account in a manner that would cause an Adverse Tax Event or Adverse Federal Direct Payment Event and (b) will comply with the certifications, representations and agreements set forth in the Tax Compliance Certificate executed and delivered by the Sublessee in connection with the execution of this Sublease. The Sublessee acknowledges that the State, in the 2021S Lease, has agreed to enforce the covenant of the Sublessee set forth in this Section against the Sublessee.

Section 10.05. Fees and Expenses of Trustee; State Expenses; Deposits to Rebate Fund; Rebate Calculations. The Additional Rent that may be payable by the Sublessee in accordance with Section 6.02 hereof shall include the Sublessee's Proportionate Share of (a) the fees and expenses payable to the Trustee pursuant to Section 9.05 of the 2021S Lease and any similar provision of any other Lease; (b) the costs and expenses incurred by the State in connection with the Leased Property, the Projects, the Certificates, the Leases, the Indenture, the Site Leases, the Subleases, the Participation Agreements, the Matching Money Bonds or any matter related thereto, including, but not limited to, a reasonable charge for the time of State employees and allocable overhead; (c) the amounts paid by the State pursuant to Section 9.06 of the 2021S Lease and any similar provision of any other Lease to make deposits to the Rebate Fund; and (d) the costs and expenses incurred in connection with the rebate calculations required by the Master Indenture.

Section 10.06. Investment of Funds. By authorizing the execution and delivery of this Sublease, the Sublessee specifically authorizes the investment of moneys held by the Trustee in Permitted Investments (as defined in the Indenture) where the period from the date of purchase thereof to the maturity date is in excess of five years.

ARTICLE XI

LIMITS ON OBLIGATIONS OF STATE

Section 11.01. Disclaimer of Warranties. THE STATE 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 LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. In no event shall the State be liable for any incidental, special or consequential damage in connection with or arising out of this Sublease or the existence, furnishing, functioning or use by the Sublessee of any item, product or service provided for herein.

Section 11.02. Financial Obligations of State Limited to Sublessee's Project Account and Specified Amounts from the Assistance Fund. Notwithstanding any other provision hereof, all financial obligations of the State under this Sublease are limited to the Sublessee's Project Account and the specified amount of money in the Assistance Fund that is available to pay a portion of the Costs of the Sublessee's Project in accordance with Section 4.10 hereof.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.01. Events of Default Defined.

(a) Any of the following shall constitute an “Event of Default” under this Sublease, subject to Section 14.22 hereof:

(i) failure by the Sublessee to pay, as applicable, any specifically appropriated Base Rent to the State on or before the applicable Base Rent Payment Date, any principal of, premium, if any, or interest on its Matching Moneys Bond when due or any Matching Moneys Installment Payment when due;

(ii) failure by the Sublessee to pay any Additional Rent for which funds have been specifically appropriated when due, or if such Additional Rent is payable to a Person other than the State, when nonpayment thereof has, or may have, a material adverse effect upon any of the Certificates, any of the Leased Property or the interest of the State in any of the Leased Property;

(iii) failure by the Sublessee to vacate the Leased Property within 90 days following an Event of Nonappropriation or Event of Default under this Sublease or a termination of the 2021S Lease as a result of an Event of Nonappropriation or Event of Default under the 2021S Lease;

(iv) any sublease, assignment, encumbrance, conveyance or other transfer of the interest of the Sublessee in all or any portion of this Sublease or the Leased Property in violation of Section 13.01 hereof or any succession to all or any portion of the interest of the Sublessee in the Leased Property in violation of Section 13.02 hereof; or

(v) failure by the Sublessee to observe and perform any covenant, condition or agreement on its part to be observed or performed in this Sublease, in its Matching Moneys Bond or in any other instrument related hereto or thereto (including but not limited to the Tax Compliance Certificate executed or issued in connection with this Sublease), 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 Sublessee by the State, unless the State 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 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.

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

(i) the Sublessee shall remain obligated to pay, as applicable, principal of, premium, if any, and interest on its Matching Moneys Bond and its Matching Money Installment Payments when due, notwithstanding any termination of the Sublease Term or this Sublease or any limitation on any of the other obligations of the Sublessee hereunder;

(ii) the Sublessee shall be obligated to pay Rent only during the Sublease Term, except as otherwise expressly provided in Section 3.02(b)(ii) hereof; and

(iii) if, by reason of Force Majeure, the Sublessee shall be unable in whole or in part to carry out any agreement on its part herein contained, other than its obligation to pay money, the Sublessee shall not be deemed in default during the continuance of such inability; provided, however, that the Sublessee shall, as promptly as legally and reasonably possible, remedy the cause or causes preventing the Sublessee from carrying out such agreement, except that the settlement of strikes, lockouts and other industrial disturbances shall be solely within the discretion of the Sublessee; and provided further that this paragraph shall not apply to any obligation of the Sublessee under the Sublessee's Matching Moneys Bond or with respect to its Matching Moneys Installment Payments.

Section 12.02. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the State, with the consent of the Trustee, may take one or any combination of the following remedial steps:

(a) terminate the Sublease Term and give notice to the Sublessee to immediately vacate the Leased Property in the manner provided in Section 3.02(b) hereof;

(b) sell or lease its interest in all or any portion of the Leased Property;

(c) recover any of the following from the Sublessee 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) all amounts due under the Sublessee's Matching Moneys Bond in accordance with the terms of the Sublessee's Matching Moneys Bond; and the portion of any Base Rent or Matching Moneys Installment Payments payable by the Sublessee for the then current Fiscal Year that has been specifically appropriated by the Sublessee's Governing Body, regardless of when the Sublessee vacates the Leased Property; and

(iii) the portion of the Additional Rent for the then current Fiscal Year that has been specifically appropriated by the Sublessee's Governing Body, but only to the extent such Additional Rent is payable prior to the date, or is attributable to the use of the Leased Property prior to the date, the Sublessee vacates the Leased Property;

(d) enforce any provision of this Sublease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under Article XIII 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 Leased Property under this Sublease, subject, however, to the limitations on the obligations of the Sublessee under Sections 6.05 and 12.03 hereof.

Section 12.03. Limitations on Remedies. A judgment requiring a payment of money may be entered against the Sublessee by reason of an Event of Default only as to the Sublessee's liabilities described in Section 12.02(c) hereof.

Section 12.04. No Remedy Exclusive. Subject to Section 12.03 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 Sublessee 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 12.05. Waivers. The State, with the consent of the Trustee, may waive any Event of Default under this 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 XIII

TRANSFERS OF INTERESTS IN SUBLEASE OR LEASED PROPERTY

Section 13.01. Transfers Prohibited. Except as otherwise permitted by Section 8.04 hereof with respect to subleasing or grants of use of the Leased Property, Section 8.06 with respect to substitutions of other property for Leased Property and Section 13.02 hereof with respect to transfers of the Leased Property following termination of the Sublease Term or as otherwise required by law, the Sublessee shall not sublease, assign, encumber, convey or otherwise transfer all or any portion of its interest in this Sublease or the Leased Property to any Person, whether now in existence or organized hereafter.

Section 13.02. Transfer After Conveyance of Leased Property to Sublessee. Notwithstanding Section 13.01 hereof, the Sublessee may, with the Site Lessor's prior written consent, transfer its leasehold interest in the Leased Property after, and only after, this Sublease Term has terminated and the Leased Property has been conveyed to the Sublessee pursuant to Article IX hereof.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Binding Effect. This Sublease shall inure to the benefit of and shall be binding upon the Sublessee and the State and their respective successors and assigns, subject, however, to the limitations set forth in Article XIII hereof. This Sublease and the covenants set forth herein are expressly intended to be covenants, conditions and restrictions running with the Leased Property and the leasehold estate in the Leased Property under this Sublease.

Section 14.02. Interpretation and Construction. This Sublease and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Sublease. For purposes of this Sublease, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this 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 Sublease. The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder” and other words of similar import refer to this 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 applicable to governmental entities, subject to statutory exceptions and modifications, 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 14.03. Acknowledgement of and Subordination to 2021S Lease and Indenture. The Sublessee has received copies of, and acknowledges the terms of, the 2021S Lease and the Indenture and agrees that its rights hereunder are subordinate and subject to the rights of the Trustee and the Owners of the Certificates under the 2021S Lease and the Indenture.

Section 14.04. Trustee, State and Sublessee Representatives. Whenever under the provisions hereof the approval of the Trustee, the State or the Sublessee is required, or the Trustee, State or the Sublessee 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, for the State by the State Representative and by the Sublessee for the Sublessee Representative and the Trustee, the State and the Sublessee shall be authorized to act on any such approval or request. The Sublessee Representative is the Superintendent of the Sublessee or any Person appointed as Sublessee Representative by such Person.

Section 14.05. 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, 200 E. Colfax Ave., Denver, CO 80203, Attention: Deputy Treasurer, facsimile number: 303 866 2123, with a copy to Colorado State Controller, 1525 Sherman Street, 5th floor, Denver, Colorado 80203, Attention: Robert Jaros, facsimile number: 303-866-4233, electronic mail address: Bob.Jaros@state.co.us, and with a copy to Public School Capital Construction Assistance Board,

1580 Logan Street, Suite 310, Denver, Colorado 80203, Attention: Chair, facsimile number: 303.866.6168, electronic mail address: scott.stevens@bvsd.org; if to the Trustee, to Zions Bancorporation, National Association, 1001 Seventeenth Street, Suite 850, Denver, Colorado 80202, Attention: Corporate Trust Services, facsimile number: 855 547 6178, electronic mail address: denvercorporatetrust@zionsbank.com; and if to the Sublessee, to [NAME OF SUBLESSEE], Attention: Superintendent, facsimile number: 303-326-1890, 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 14.06. No Individual Liability. All covenants, stipulations, promises, agreements and obligations of the State or the Sublessee, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the State or the Sublessee, as the case may be, and not of any member, director, officer, employee, servant or other agent of the State or the Sublessee 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 Sublessee or any natural person executing this Sublease 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 14.07. Amendments, Changes and Modifications. Except as otherwise provided herein, this Sublease may only be amended, changed, modified or altered by a written instrument executed by the State, the Assistance Board and the Sublessee.

Section 14.08. State May Rely on Certifications, Representations and Agreements of Sublessee. The State may rely on the certifications, representations and agreements of the Sublessee in this Sublease (including any Exhibit hereto) and may assume that the Sublessee will perform all of its obligations under this Sublease for purposes of making certifications, representations and agreements to and with the Trustee in the 2021S Lease and making certifications and representations to Bond Counsel, Owners or potential Owners of Certificates and any other Person with respect to the Leased Property, the Projects, the Leases, the Site Leases, the Matching Moneys Bonds, the Certificates, the Indenture or any matter related thereto.

Section 14.09. 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 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 Sublease.

Section 14.10. Legal Description of Land Included in Leased Property. The legal description of the land included in the Leased Property subject to this Sublease is set forth in Exhibit A hereto. If the land included in Leased Property subject to this Sublease is modified pursuant to the terms of this Sublease or other land is substituted for land included in the Leased Property subject to this Sublease pursuant to the terms of this Sublease, the legal description set forth in Exhibit A hereto will be amended to describe the land included in the Leased Property subject to this Sublease after such modification or substitution.

Section 14.11. Merger. The State, the Trustee, the Site Lessor of the Leased Property and the Sublessee intend that the legal doctrine of merger shall have no application to this Sublease, the 2021S Lease or the Site Lease pursuant to which the Leased Property is leased to the Trustee by the Sublessee or the Sublessee's Chartering Authority and that none of the execution and delivery of this Sublease by the State and the Sublessee, the 2021S Lease by the Trustee and the State or such Site Lease by the Site Lessor and the Trustee or the exercise of any remedies by any party under this Sublease, the 2021S Lease or such Site Lease shall operate to terminate or extinguish this Sublease, the 2021S Lease or Site Lease.

Section 14.12. Severability. In the event that any provision of this Sublease, other than the obligation of the Sublessee to pay Additional Rent hereunder and the obligation of the State to provide quiet enjoyment of the Leased Property, 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 14.13. 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 Sublease.

Section 14.14. 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 this Sublease. Any provision of this 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 Sublease to the extent that this Sublease is capable of execution. At all times during the performance of this Sublease, the Sublessee shall strictly adhere to all applicable federal and State laws, rules and regulations that have been or may hereafter be established.

Section 14.15. Execution in Counterparts. This 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 14.16. State Controller's Approval. This Sublease 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 14.17. Non-Discrimination. The Sublessee agrees to comply with the letter and the spirit of all applicable State and federal laws respecting discrimination and unfair employment practices.

Section 14.18. 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 loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts certified by the State Controller as owing to the State as a result of final agency determination or judicial action.

Section 14.19. Employee Financial Interest. The signatories to this Sublease 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 14.20. Accounting Allocation of State's Base Rent. Exhibit C hereto allocates the Base Rent payments of the State under the 2021S Lease among the 2021S Sublessees for accounting purposes. Exhibit C is included solely at the request of the Sublessee for its accounting purposes and shall not affect, and may not be used to determine, any rights or obligations of the State, the Sublessee or any other Person under this Sublease, the 2021S Lease, the Indenture or the Site Lease or for any other purpose.

Section 14.21. Assistance Board as Party. The Assistance Board is a party to this Sublease solely for the purpose of complying with the Act. Except as otherwise provided in Section 14.05 and 14.07 hereof, all actions hereunder or with respect hereto may be taken by the State, acting by and through the State Treasurer, without any participation by the Assistance Board.

Section 14.22. Rights and Obligations of Sublessee's Chartering Authority. Notwithstanding any other provision of this Sublease, if the Sublessee's Chartering Authority is a party to this Sublease:

(a) The Sublessee's Chartering Authority is a party to this Sublease solely for purposes of this Section.

(b) If (i) the Sublessee's Charter is terminated or expires for any reason, (ii) the Sublessee attempts, without the written consent of the State and the Sublessee's Chartering Authority, to transfer all or any portion of its interest in, to sublease or to grant the right to use the Leased Property to any other Person other than the Sublessee's Chartering Authority (except for a right to use that does not interfere with the operation of the Leased Property as a charter school in accordance with the Sublessee's Charter) or (iii) the Sublessee fails to use the Leased Property as a charter school in accordance with its Charter, then, automatically, without any further action by any Person, all the rights and obligations of the Sublessee under this Sublease and to the Leased Property shall terminate and the Sublessee's Chartering Authority shall succeed to all the rights and obligations of the Sublessee under this Sublease and to the Leased Property. If any such event occurs, the Sublessee and the Sublessee's Chartering Authority shall immediately deliver written notice to the State and the Trustee and the Sublessee, the Sublessee's Chartering Authority, the State and the Trustee shall take all actions reasonably requested by any of them to evidence such termination and succession, but a failure to deliver any such notice or take any such action shall not affect the operation of the first sentence of this subsection.

(c) If an Event of Default or Event of Nonappropriation under the 2021S Lease has occurred and the Sublessee has not delivered the notice required to be delivered to the Trustee

and the State under Section 9.01(b)(i) hereof or the Sublessee has delivered such notice but has failed to pay the Sublessee's Purchase Option Price on the closing date pursuant to Section 9.01 hereof, the State shall notify the Sublessee's Chartering Authority and the Sublessee's Chartering Authority shall have the option to purchase the Leased Property in accordance with Section 9.01 hereof; provided that the Site Lessor shall have an additional 15 Business Days after delivery of the notice from the State to deliver a notice to the Trustee and the State in accordance with Section 9.01(b)(i) hereof.

(d) If, but for the application of this Section, an Event of Default has occurred or events have occurred that, with the passage of time without a cure, will result in an Event of Default (for purposes of this Section, a "prospective Event of Default"), the State shall notify the Sublessee's Chartering Authority and the Sublessee's Chartering Authority shall have the right to cure the prospective Event of Default within the time period available to the Sublessee under Section 12.01 hereof plus 15 Business Days. If the Sublessee's Chartering Authority cures the prospective Event of Default pursuant to this subsection, no Event of Default shall be deemed to have occurred and the Sublessee's Chartering Authority shall have the option to succeed to all rights and obligations of the Sublessee under this Sublease by delivering a written notice to the State and the Trustee that it desires to do so. If the Sublessee delivers such a notice, it shall automatically, without any further action by any Person, succeed to the rights and obligations of the Sublessee under this Sublease and the State and the Trustee shall take all actions reasonably requested by the Sublessee's Chartering Authority to effect and evidence such succession.

(e) If (i) the Sublessee's Chartering Authority is the Site Lessor under the Site Lease pursuant to which the Leased Property subject to this Sublease is leased to the Trustee and (ii)(A) such Leased Property is conveyed by the Trustee to the State pursuant to the Lease pursuant to which such Leased Property is leased to the State or (B) such Leased Property is conveyed by the State to the Sublessee pursuant to Section 9.03 hereof, then, the Sublessee and the Sublessee's Chartering Authority agree that such Site Lease shall, pursuant to Section 11.03 thereof, continue with the Sublessee succeeding to the rights and obligations of the Trustee thereunder.

[Remainder of page intentionally left blank]

THE PARTIES HERETO HAVE EXECUTED THIS SUBLEASE OF [NAME OF SUBLESSEE] AS OF THE
DATE FIRST SET FORTH ABOVE

* Person(s) signing hereby swear and affirm that they are authorized to act and acknowledge that the State is relying on their representations to that effect.

<p>[NAME OF SUBLESSEE]</p> <p>_____, President</p> <p>[DISTRICT SEAL]</p> <p>Attest:</p> <p>_____, Secretary</p>	<p style="text-align: center;">STATE OF COLORADO Jared S. Polis, GOVERNOR Department of the Treasury David L. Young, Treasurer</p> <p>By: _____ Eric Rothaus, Deputy Treasurer</p>
<p style="text-align: center;">STATE OF COLORADO Jared S. Polis, GOVERNOR Department of Personnel & Administration Office of the State Architect, Real Estate Programs For the Executive Director</p> <p>By: _____ Brandon Ates, Manager of Real Estate Programs</p>	<p style="text-align: center;">PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD, acting on behalf of the State of Colorado</p> <p>By: _____ Scott Stevens, Chair</p>
	<p style="text-align: center;">STATE OF COLORADO Jared S. Polis, GOVERNOR LEGAL REVIEW Philip J. Weiser, Attorney General</p> <p>By: _____ Lori Ann F. Knutson, First Assistant Attorney General</p>

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

C.R.S. §24-30-202 requires the State Controller to approve all State Contracts. This Sublease is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

<p>STATE CONTROLLER Robert Jaros, MBA, CPA, JD</p> <p>By: _____ Robert Jaros, State Controller</p> <p>Date: _____</p>

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

The foregoing instrument was acknowledged before me this ____ day of December, 2021,
by Eric Rothaus, Deputy Treasurer, acting on behalf of the State of Colorado.

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

[NOTARIAL SEAL]

Notary Public

My commission expires:

STATE OF COLORADO)
) ss.
COUNTY OF [JEFFERSON])

The foregoing instrument was acknowledged before me this ____ day of December, 2021, by Scott Stevens, Chair of the Public School Capital Construction Assistance Board, acting on behalf of the State of Colorado.

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

[NOTARIAL SEAL]

Notary Public

My commission expires:

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this ____ day of December, 2021,
by _____, as President, and _____, as Secretary,
of [NAME OF SUBLESSEE].

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

[NOTARIAL SEAL]

Notary Public

My commission expires:

EXHIBIT A

LEGAL DESCRIPTION OF LAND INCLUDED IN LEASED PROPERTY

[omitted for form of Series 2021S Sublease appended to Official Statement]

EXHIBIT B

SPECIFICATION FOR PROJECT

[omitted for form of Series 2021S Sublease appended to Official Statement]

EXHIBIT C

ACCOUNTING ALLOCATION OF STATE'S BASE RENT

[omitted for form of Series 2021S Sublease appended to Official Statement]

EXHIBIT D

MATCHING MONEYS

[omitted for form of Series 2021S Sublease appended to Official Statement]

EXHIBIT E

FORM OF ASSISTANCE FUND REQUISITION

[omitted for form of Series 2021S Sublease appended to Official Statement]

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

\$150,415,000

**STATE OF COLORADO
BUILDING EXCELLENT SCHOOLS TODAY
CERTIFICATES OF PARTICIPATION
TAX-EXEMPT SERIES 2021S**

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 above-referenced Certificates of Participation (the “**Certificates**”) evidencing assignments of proportionate interests in the right to receive certain payments payable under (a) the annually renewable State of Colorado Building Excellent Schools Today Series 2021S Lease Purchase Agreement, dated as of December 9, 2021, entered into by and between Zions Bancorporation, National Association, as trustee (the “**Trustee**”) under the State of Colorado Building Excellent Schools Today Master Trust Indenture dated August 12, 2009 (as amended and supplemented from time to time, the “**Indenture**”), as lessor, and the State, acting by and through the State Treasurer, as lessee, and (b) any other leases entered into by and between the Trustee, as lessor, and the State, as lessee, pursuant to the Indenture. The 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 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,” “APPENDIX G—PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND,” “APPENDIX H—LEASED PROPERTY RELATING TO THE PRIOR CERTIFICATES” and “APPENDIX J—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 Certificates.

“Owner of the Certificates” means the registered owner of the Certificates, and so long as the 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, 2021, and annually while the 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 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 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 Certificates, or other material events or events affecting the tax status of the 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).¹
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 Obligation² 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 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 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 Certificates.

¹ 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.

² 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.

(c) At any time the 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.

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 Certificates and shall extend to the earliest of (a) the date all principal and interest on the 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 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 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 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 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 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 Certificates, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the State has caused this Continuing Disclosure Undertaking to be executed effective as of December 9, 2021.

**STATE OF COLORADO, acting by and through
the Department of the Treasury**

By: _____
Treasurer of the State of Colorado

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APPENDIX D

FORM OF BOND COUNSEL OPINION

December 9, 2021

State of Colorado, acting by and through the
State Treasurer
Colorado State Treasurer
140 State Capitol
Denver, CO 80203

\$150,415,000
State of Colorado
Building Excellent Schools Today
Certificates of Participation
Series 2021S

Ladies and Gentlemen:

We have been engaged by the State of Colorado, acting by and through the State Treasurer (the “State”), to act as bond counsel in connection with the execution and delivery of the Building Excellent Schools Today Certificates of Participation Series 2021S (the “Series 2021S Certificates”). The Series 2021S Certificates are being executed and delivered pursuant to the Building Excellent Schools Today Act, part 1, article 43.7, title 22, Colorado Revised Statutes, as amended; and the State of Colorado Building Excellent Schools Today Master Trust Indenture dated as of August 12, 2009, as supplemented by the State of Colorado Building Excellent Schools Today Series 2009A Supplemental Indenture dated as of August 12, 2009, the State of Colorado Building Excellent Schools Today Series 2010B-C Supplemental Indenture dated as of March 16, 2010, the State of Colorado Building Excellent Schools Today Series 2010D-F Supplemental Trust Indenture dated as of December 16, 2010, the State of Colorado Building Excellent Schools Today Series 2011G Supplemental Trust Indenture dated as of December 8, 2011, the State of Colorado Building Excellent Schools Today October 2012 Supplemental Trust Indenture dated as of October 31, 2012, the State of Colorado Building Excellent Schools Today Series 2012H Supplemental Trust Indenture dated as of December 6, 2012, the State of Colorado Building Excellent Schools Today Series 2013I Supplemental Trust Indenture dated as of December 9, 2013, the State of Colorado Building Excellent Schools Today 2015 Supplemental Trust Indenture dated as of February 12, 2015, the State of Colorado Building Excellent Schools Today Series 2017J Supplemental Trust Indenture dated as of December 7, 2017, the State of Colorado Building Excellent Schools Today Series 2017K Supplemental Trust Indenture dated as of December 7, 2017, the State of Colorado Building Excellent Schools Today Series 2018L Supplemental Trust Indenture dated as of September 18, 2018, the State of Colorado Building Excellent Schools Today Series 2018M Supplemental Indenture dated as of September 18, 2018, the State of Colorado Building Excellent Schools Today Series 2018N Supplemental Trust Indenture Dated as of December 6, 2018, the State of Colorado Building Excellent Schools Today Series 2019O Supplemental Trust Indenture dated as of December 5, 2019, the State of Colorado Building

Excellent Schools Today Series 2019P Supplemental Trust Indenture Dated as of December 27, 2019, the State of Colorado Building Excellent Schools Today Series 2019Q Supplemental Trust Indenture dated as of December 27, 2019, the State of Colorado Building Excellent Schools Today Series 2020R Supplemental Trust Indenture dated as of December 9, 2020 and the State of Colorado Building Excellent Schools Today Series 2021S Supplemental Trust Indenture dated as of December 9, 2021 (collectively, the “Indenture”) by Zions Bancorporation, National Association, as trustee thereunder (the “Trustee”). The Series 2021S Certificates evidence undivided interests in the right to certain payments by the State under the State of Colorado Building Excellent Schools Today Series 2021S Lease Purchase Agreement dated as of December 9, 2021 (the “2021S Lease”), the State of Colorado Building Excellent Schools Today Series 2020R Lease Purchase Agreement dated as of December 9, 2020 (the “2020R Lease”), the State of Colorado Building Excellent Schools Today Series 2019Q Amended and Restated Lease Purchase Agreement dated as of December 27, 2019 (the “2019Q Lease”), the State of Colorado Building Excellent Schools Today Series 2019P Amended and Restated Lease Purchase Agreement dated as of December 27, 2019 (the “2019P Lease”), the State of Colorado Building Excellent Schools Today Series 2019O Lease Purchase Agreement dated as of December 5, 2019 (the “2019O Lease”), the State of Colorado Building Excellent Schools Today Series 2018N Lease Purchase Agreement dated as of December 6, 2018 (the “2018N Lease”), the State of Colorado Building Excellent Schools Today Series 2018M Amended and Restated Lease Purchase Agreement dated as of September 18, 2018 (the “2018M Lease”), the State of Colorado Building Excellent Schools Today Series 2018L Amended and Restate Lease Purchase Agreement dates as of September 18, 2018 (the “2018L Lease”), the State of Colorado Building Excellent Schools Today Series 2017K Lease Purchase Agreement dated as of December 7, 2017 (the “2017K Lease”), the State of Colorado Building Excellent Schools Today Series 2017J Lease Purchase Agreement dated as of December 7, 2017 (the “2017J Lease”), the State of Colorado Building Excellent Schools Today 2015 Lease Purchase Agreement dated as of February 12, 2015 (the “2015 Lease”) and the State of Colorado Building Excellent Schools Today Series 2009A Lease Purchase Agreement dated as of September 12, 2009 (the “2009A Lease”; and, together with the 2021S Lease, the 2020R Lease, 2019Q Lease, 2019P Lease, 2019O Lease, the 2018N Lease, the 2018M Lease, the 2018L Lease, the 2017K Lease, the 2017J Lease, and the 2015 Lease, the “Leases”) by and between the Trustee, as lessor, and the State, as lessee. Capitalized terms used but not defined herein have the meanings assigned to them in the Indenture.

Regarding questions of fact material to our opinions, we have relied upon the certified proceedings of the State and the Trustee and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The 2021S Lease have been duly authorized by the State and duly executed and delivered by authorized officials of the State and, assuming due authorization, execution and delivery by the Trustee, constitute valid and binding obligations of the State. Neither the 2021S Lease nor the Series 2021S Certificates constitute general obligations, other indebtedness or multiple fiscal year financial obligations of the State within the meaning of any constitutional or statutory debt limitation.

2. Assuming the due authorization, execution, and delivery of the 2021S Leases by the Trustee, the due authorization, execution and delivery of the 2021S Supplemental Indentures by the State and the Trustee, and the due execution and delivery of the Series 2021S Certificates by the Trustee, the Series 2021S Certificates represent valid and binding assignments of the right to receive certain payments under the Lease.

3. The portion of the Base Rent which is designated in the 2021S Leases as interest and paid by the Trustee as interest with respect to the Series 2021S Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, and interest on the Series 2021S Certificates is excluded from Colorado taxable income or Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof; except that we express no opinion as to the effect which any termination of the State's obligations under the Leases may have upon the treatment for federal or Colorado income tax purposes of any moneys received or paid under the Indenture subsequent to such termination. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the State incurred pursuant to the Leases may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In rendering the foregoing opinions, we are not opining upon matters of the corporate status of the Trustee, the power of the Trustee to execute or deliver the 2021S Lease, the 2021S Supplemental Indentures or the Series 2021S Certificates, the enforceability of the 2021S Lease, the 2021S Supplemental Indentures or the Series 2021S Certificates against the Trustee.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein and we are not passing upon the accuracy, adequacy or completeness of the Official Statement relating to the Series 2021S Certificates or any other statements made in connection with any offer or sale of the Series 2021S Certificates, or upon any federal or state tax consequences arising from the receipt or accrual of interest with respect to, or the rights and obligations under, the 2021S Leases or the Series 2021S Certificates, except those specifically addressed in paragraph 3 above, or upon any matters pertaining to the priority of any security instrument executed in connection with this transaction, the existence of any liens or other encumbrances on the Leased Property, or the ownership of or proper description of any property included in the Leased Property.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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APPENDIX E

THE STATE GENERAL FUND

General

The General Fund is the principal operating fund of the State. All revenues and moneys 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 2019-20 ACFR and Fiscal Year 2020-21 BFS 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 2021-22 and 2022-23. See also "Revenue Estimation; OSPB Revenue and Economic Forecasts" in this APPENDIX and "APPENDIX F—OSPB SEPTEMBER 2021 REVENUE FORECAST," as well as "USE OF INFORMATION IN THIS OFFICIAL STATEMENT—CAUTIONARY STATEMENT REGARDING PROJECTIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT" at the beginning of this Official Statement. Unless otherwise noted, historical financial, economic and demographic data contained herein does not reflect the impact of COVID-19.

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State of Colorado
General Fund Revenue Sources

(Accrual basis; dollar amounts expressed in millions)
Actual

Revenue Source	Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20		Preliminary Fiscal Year 2020-21		OSPB September 2021 Revenue Forecast			
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Fiscal Year 2021-22		Fiscal Year 2022-23	
Excise Taxes:														
Sales Tax ¹	\$2,826.1	6.5%	\$3,094.2	9.5%	\$3,246.6	4.9%	\$3,196.0	4.7%	3,464.8	8.4%	\$3,745.5	9.5%	\$3,939.6	5.2%
Use Tax	259.5	7.6	309.9	19.4	345.5	11.5	210.5	(39.1) ²	209.2	-0.6	227.9	6.4	235.0	3.1
Retail Marijuana Sales – Special Sales Tax ¹	–	–	– ³	– ³	– ³	– ³	245.5	27.4	286.0	16.5	271.8	(5.7)	285.4	5.0
Cigarette Tax	36.6	(1.7)	34.6	(5.5)	32.6	(5.8)	32.5	(0.1)	30.01	-7.5	28.5	(5.3)	27.6	(3.0)
Tobacco Products	21.2	0.6	16.4	(22.7)	22.3	35.8	24.4	9.5	30.0	23.0	25.6	(11.7)	26.9	4.7
Liquor Tax	45.0	3.0	46.5	3.3	48.3	3.9	50.1	3.7	53.6	7.1	55.2	3.4	55.8	3.0
Proposition EE/Nicotine									50.05	--	200.8	309.6	197.4	(1.7)
Total Excise Taxes	\$3,188.4	6.4%	\$3,501.6	9.8%	\$3,695.3	5.5%	\$3,759.0	1.7%	\$4,124.1	9.7%	\$4,555.3	11.6%	\$4,768.7	4.7%
Income Taxes:											ca			
Net Individual Income Tax	\$6,760.9	3.6%	\$7,577.2	12.1%	\$8,247.0	8.8%	\$8,645.5	4.8%	9,690.1	12.1	\$10,021.8	5.7%	\$10,449.9	4.34%
Net Corporate Income Tax	509.3	(21.9)	781.9	53.5	919.8	17.6	728.3	(20.8)	1,068.7	46.7	931.6	(21.3)	941.3	1.0
Total Income Taxes	\$7,270.2	1.3%	\$8,359.1	15.0%	\$9,166.8	9.7%	\$9,373.8	2.3%	10,748.8	14.8	\$10,953.5	2.7%	\$11,391.2	4.0%
Less State Education Fund Diversion ⁴	(540.0)	(3.3)	(617.0)	(14.3)	(692.8)	(12.3)	(646.7)	(6.7)	861.5	33.2	745.9	(21.5)	854.3	14.5
Total Income Taxes to the General Fund	\$6,730.2	1.1%	\$7,742.1	15.0%	\$8,474.0	9.5%	\$8,726.5	3.0%	9,897.3	13.4	\$10,207.5	5.1%	\$10,536.9	3.20%
Other Revenues:														
Insurance	\$290.5	3.6%	\$303.6	4.5%	\$314.7	3.6%	\$337.4	7.2%	341.0	1.1	\$438.5	30.4%	\$495.4	13.0%
Interest Income	14.7	18.6	19.5	32.4	26.5	35.8	31.1	17.2	42.7	37.3	42.4	(15.3)	34.0	(19.8)
Pari-Mutuel	0.6	(6.6)	0.5	(10.7)	0.5	(1.7)	0.4	(23.7)	0.3	-15.5	0.5	66.2	0.5	(2.0)
Court Receipts	4.1	17.5	4.4	7.6	4.2	(5.3)	3.9	(6.7)	3.6	-6.7	3.8	8.7	3.79	(2.6)--
Other Income ⁵	47.3	109.7	152.2	221.7	48.9	(67.9)	9.7	(80.2)	11.3	16.1	28.7	(43.4)	33.0	15.0
Total Other	\$357.2	11.8%	\$480.2	34.4%	\$394.7	(17.8)%	\$382.5	(3.1)%	398.9	4.3%	\$5138	16.6%	\$566.6	10.3%
Gross General Fund	\$10,275.8	3.1%	\$11,723.9	14.1%	\$12,564.0	7.2%	\$12,868.5	2.4%	14,420.3	12.1%	\$15,276.7	7.3%	\$15,872.1	3.9%

¹ 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 S.B. 17-267, this tax is 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. Through Fiscal Years 2016-17, the entire State share of this revenue is first credited to the General Fund and then transferred to the Marijuana Tax Cash Fund. Per S.B. 17-267, for Fiscal Year 2019-20, 28.15% of the State share of this revenue, less \$30 million, is to be retained in the General Fund, 71.85% is to be transferred to the Marijuana Tax Cash Fund and \$30 million is to be 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."

² Uses Taxes are paid by State residents and businesses on purchases that did not collect the State Sales Tax. Significant decrease in Fiscal Year 2019-20 Use Tax revenues attributable to increase of retailers remitting sales taxes directly to the State.

³ Reported under Sales Tax

⁴ 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.

⁵ Other income in Fiscal Year 2017-18 includes receipt of a one-time settlement payment under the Tobacco Master Settlement Agreement.

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 past five Fiscal Years, as well as the current OSPB estimates for Fiscal Years 2021-22 and 2022-23 from the OSPB September 2021 Revenue Forecast. The overview incorporates the budget under current law as of the publication of the OSPB September 2021 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 F—OSPB SEPTEMBER 2021 REVENUE FORECAST,” as well as “CERTAIN RISK FACTORS—Potential Impact of COVID-19 (Coronavirus)” and “USE OF INFORMATION IN THIS OFFICIAL STATEMENT—CAUTIONARY STATEMENT REGARDING PROJECTIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT” in the forepart of this Official Statement.

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State of Colorado
General Fund Overview
Fiscal Years 2016-17 through 2022-23

(Dollar amounts expressed in millions; totals may not add due to rounding)

	Actual (Unaudited) ¹ 2020-21				Preliminary	OSPB September 2021 Revenue Forecast	
	Fiscal Year 2016- 17	Fiscal Year 2017- 18	Fiscal Year 2018- 19	Fiscal Year 2019- 20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23
Revenue:							
Beginning Reserve	\$ 512.7	\$ 614.5	\$ 1,366.0	\$ 1,262.6	\$1,825.2	\$ 3,150.2	\$ 3,508.9
Gross General Fund Revenue	10,275.8	11,723.9	12,564.0	12,868.0	14,240.4	15,276.7	15,872.1
Transfers to the General Fund	44.8	98.6	17.2	248.0	335.3	30.0	28.6
Total General Fund Revenue							
Available for Expenditure	10,833.4	12,436.9	13,947.2	14,378.6	16,400.8	18,456.8	19,409.7
Expenditures:							
Appropriation Subject to Limit ²	9,784.5	10,430.9	11,258.7	11,805.2	10,978.9	12,281.9	15,086.9
Dollar Change From Prior Year	448.9	646.4	827.8	546.4	(826.2)	1,303.0	2,805.0
Percent Change From Prior Year	4.8%	6.6%	7.9%	4.9%	(7.0%)	11.9%	22.8%
Spending Outside Limit	640.1	784.5	1,596.3	910.5	2,271.7	2,666.0	2,059.7
TABOR Refund under Subsection (7)(d) ³	—	39.8	428.5	—	471.4	-1,260.1	1,277.3--
TABOR Refund under Subsection (3)(c) ⁴	—	—	—	—	—	—	--
Homestead Exemption (Net of TABOR Refund) ⁵	—	132.3	106.4	—	157.9	0	0
Other Rebates and Expenditures ⁵	285.0	158.5	159.7	145.7	137.9	140.5	142.1
Transfer for Capital Construction ⁶	84.5	112.1	180.5	213.6	43.0	348.9	50.0
Transfers for Transportation ⁶	79.0	79.0	495.0	300.0	30.0	294.0	115.0
Transfers to State Education Fund	25.3	25.3	25.0	40.3	113.0	123.0	0
Transfers to Other Funds ⁷	164.8	208.6	201.1	210.9	1,318.5	499.4	475.3
Other Expenditures Exempt from General Fund Appropriations Limit ⁸	1.5	29.0	—	—	—	—	--
Total General Fund Obligations	10,424.6	11,215.5	12,855.0	12,715.6	13,250.7	14,947.9	17,176.6
Percent Change from Prior Year	1.9%	7.6%	14.6%	(1.1)%	4.2%	12.8%	14.7%
Reversions and Accounting Adjustments ⁹	(205.7)	(123.3)	(170.3)	(160.3)--	—	—	--
Reserves:							
Year-End General Fund Balance	614.5	1,344.8	1,262.5	1,823.2	3,150.2	3,508.9	2,263.0
Year-End General Fund as a % of Appropriations	6.3%	12.9%	11.2%	15.4%	28.7%	28.6%	15.0%
General Fund Statutory Reserve Amount ¹⁰	584.3	674.9	814.2	362.4	314.0	1,645.8	2,263.0
Unappropriated Reserve Percentage ¹⁰	6.0%	6.5%	—	3.07%	—	—	--
Amount Above (Below) Statutory Reserve	30.2	669.9	448.3	1,460.8	2,836.2	1,863.2	0

Footnotes on following page:

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- 1 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.
 - 2 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.
 - 3 Current law requires TABOR refunds to be accounted for in the year the excess revenue is collected. TABOR refunds are not projected for Fiscal Years 2019-20 and 2020-21. See "STATE FINANCIAL INFORMATION—Taxpayers' Bill of Rights—Fiscal Year Revenue and Spending Limits; Referendum C" in the forepart of this Official Statement, and "APPENDIX F—OSPB SEPTEMBER 2021 REVENUE FORECAST—TABOR Outlook."
 - 4 In Fiscal Year 2014-15, \$58 million was set aside by H.B. 15-1367 in a special account to cover a potential TABOR refund relating to Proposition AA. H.B. 15-1367 also submitted to the State's voters at the November 3, 2015, general election the question of authorizing the State to retain and expend such amount. The question, designated Proposition BB, was approved by the voters and permitted the State to use the money for the uses specified in H.B. 15-1367. Consequently, a reversal of the \$58 million set aside is shown in Fiscal Year 2015-16. See "STATE FINANCIAL INFORMATION—Taxpayers' Bill of Rights" in the forepart of this Official Statement, as well as Note 3 to this table and Note 2 to the table in "General Fund Revenue Sources" above.
 - 5 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; and, prior to Fiscal Year 2017-18, the Homestead Property Tax Exemption, which reduces property-tax liabilities for qualifying seniors and disabled veterans. Commencing with Fiscal Year 2017-18, the Homestead Property Tax Exemption has been shown as a separate category as the result of S.B. 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" in the forepart of this Official Statement.
 - 6 Amounts in this line generally include 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; and 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; and, prior to Fiscal Year 2017-18, the Homestead Property Tax Exemption.
 - 7 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 S.B. 09-228 which originally provided for the transfers. The amounts of the 228 transfers were revised per H.B. 16-1416 and S.B. 17-262. The amount of the capital construction transfers in Fiscal Years 2015-16, 2016-17 and 2017-18 also included transfers of General Fund money in addition to the required 228 transfers. In addition, S.B. 18-001 commits General Fund revenue for transportation projects in Fiscal Years 2018-19 and 2019-20. However, such transfers may be modified by the State Legislature.
 - 8 State law requires transfers of General Fund money to various State cash funds. This line item includes transfers of amounts credited to the General Fund from the retail marijuana sales tax to a cash fund. See Note 1 to the table in "General Fund Revenue Sources" above. However, for Fiscal Year 2015-16 only, \$40.0 million of the transfer to other funds amount is a transfer to public school capital construction related to the passage of Proposition BB. The Fiscal Year 2015-16 and Fiscal Year 2016-17 amounts also include a diversion of income tax revenue out of the General Fund to a separate severance tax fund pursuant to S.B. 16-218. However, due to the risk of lower than expected severance tax revenues in Fiscal Year 2017-18 and thereafter, H.B. 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.
 - 9 Spending by the Medicaid program above the appropriated amount, called "Medicaid Overexpenditures," is usually the largest amount in this line.
 - 10 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 Year 2015-16 only, the percentage is of the amount subject to the appropriations limit minus the amount of income tax revenue required by to be diverted to a reserve fund to fund severance tax refunds as discussed above. In Fiscal Years 2015-16 through 2017-18, General Fund appropriations for lease purchase agreement payments made in connection with certificates of participation sold to fund certain capital projects were made exempt from the reserve calculation requirement. These appropriations were \$37.8 million in Fiscal Year 2015-16, \$46.0 million in Fiscal Year 2016-17 and \$48.1 million in Fiscal Year 2017-18. S.B. 18-276 repealed the exemption of the lease purchase agreement payments from the calculation of the reserve requirement. 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" in the forepart of this Official Statement.

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. Due to the then-rapidly evolving impact of COVID-19 on the State's economy, the OSPB prepared an interim report (the OSPB May 2020 Revenue Forecast) to supplement the information provided in the March 2020 Forecast. 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 September 21, 2021 and is included in this Official Statement as "APPENDIX F—OSPB SEPTEMBER 2020 REVENUE FORECAST." The OSPB September 2021 Revenue Forecast projects revenues for Fiscal Years 2021-22 through 2023-24. The amounts forecast for Fiscal Years 2021-22 and 2022-23 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 September 2021 Revenue Forecast was provided by Moody's Economy.com. The OSPB forecasts the State economy using a model originally developed partly in-house and partly by consultants to the State.

The model of the State economy is updated quarterly. This model is comprised of numerous dynamic regression equations and identities. Moody's Economy.com's forecasts for national variables are inputs to many of the Colorado equations. 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 December 2021. General Fund revenue projections in this and subsequent OSPB revenue forecasts may be materially different from the OSPB September 2021 Revenue Forecast if economic conditions change markedly. If a revenue shortfall were projected for future forecasted years, which would result in a budgetary shortfall, budget cuts and/or actions to increase the amount of money in the General Fund would 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 moneys, 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 2018-19 and 2019-20 Investments of the State Pool. The following tables set forth the investment by category of the moneys in the State Pool as of the end of each month in Fiscal Years 2018-19 and 2019-20 for which information is available.

**State of Colorado
State Pool Portfolio Mix
Fiscal Year 2019-20**

(Amounts expressed in millions)¹

	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020
Agency CMOs	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 41.6	\$ 41.6	\$ 41.6	\$ 41.6	\$ 41.5	\$ 41.6	\$ 41.5	\$ 103.6
Commercial Paper	2,190.9	1,854.6	1,477.4	1,814.2	1,993.5	2,074.0	2,610.7	2,149.7	1,109.1	1,219.9	1,155.4	385.0
U.S. Treasury Notes	757.1	702.8	809.2	895.1	931.6	939.8	897.8	1,173.5	1,105.9	1,128.5	1,506.3	1,212.7
Federal Agencies	804.6	913.2	806.9	600.2	520.7	379.7	694.7	714.5	880.5	929.6	844.7	371.3
Asset-Backed Securities	901.0	863.9	930.1	915.8	875.6	804.8	683.8	683.9	674.8	666.8	666.3	634.5
Money Market	430.0	235.0	460.0	515.0	560.0	604.0	410.0	445.0	925.0	3,017.0	2,327.0	2,942.0
Corporates	4,458.6	4,704.7	4,717.2	4,369.6	3,955.6	3,938.5	4,214.9	3,991.7	4,709.3	3,918.7	3,686.2	3,693.1
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
Totals	<u>\$9,542.4</u>	<u>\$9,274.4</u>	<u>\$9,201.0</u>	<u>\$9,110.1</u>	<u>\$8,878.6</u>	<u>\$8,782.4</u>	<u>\$9,553.5</u>	<u>\$9,199.9</u>	<u>\$9,446.1</u>	<u>\$10,922.1</u>	<u>\$10,227.4</u>	<u>\$9,342.2</u>

¹ 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 2020-21**

(Amounts expressed in millions)¹

	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021
Agency CMOs	\$ 155.1	\$ 197.6	\$ 215.9	\$ 215.8	\$ 212.3	\$ 240.7	\$ 187.8	\$ 186.4	\$ 185.5	\$ 182.8	\$ 461.2
Commercial Paper	986.4	1,285.6	2,029.3	2,089.3	1,899.3	1,694.7	2,254.4	2,906.3	3,390.6	3,791.5	4,274.5
U.S. Treasury Notes	1,800.4	1,924.3	2,378.9	2,785.7	2,830.2	508.4	3,042.2	2,624.0	2,286.3	2,151.8	2,465.6
Federal Agencies	1,301.3	1,624.2	1,265.2	988.3	990.2	1,100.2	745.8	940.6	850.6	822.9	861.6
Asset-Backed Securities	457.8	455.1	453.1	450.8	447.4	443.3	393.8	389.7	385.6	380.2	374.8
Money Market	1,757.0	1,172.0	560.0	495.0	665.0	925.0	1,190.0	790.0	690.0	1,020.0	4,255.0
Corporates	3,982.8	4,811.9	4,723.3	4,754.1	4,300.0	4,338.7	4,489.2	4,583.4	4,812.5	4,763.9	5,370.1
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
Totals	<u>\$10,440.8</u>	<u>\$11,470.7</u>	<u>\$11,625.7</u>	<u>\$11,779.0</u>	<u>\$11,344.4</u>	<u>\$9,251.0</u>	<u>\$12,303.2</u>	<u>\$12,420.4</u>	<u>\$12,601.1</u>	<u>\$13,113.1</u>	<u>\$18,062.8</u>

¹ 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 SEPTEMBER 2021 REVENUE FORECAST

As discussed in “APPENDIX E—THE STATE GENERAL FUND—Revenue Estimation; OSPB Revenue and Economic Forecasts,” the OSPB prepares quarterly revenue estimates and is currently forecasting for Fiscal Years 2021-22 through 2023-24. 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 September 21, 2021, and is included in its entirety in this APPENDIX. See “CERTAIN RISK FACTORS—Potential Impact of COVID-19 (Coronavirus).” 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.

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September 21, 2021

STATE OF COLORADO

Governor's Office of State Planning and Budgeting

COLORADO ECONOMIC AND FISCAL OUTLOOK



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For additional information about the Governor's Office of State Planning and Budgeting, to access this publication electronically, or to sign up to be notified by email when the quarterly forecast is released, please visit www.colorado.gov/ospb.

Forecast in Brief

NATIONAL ECONOMIC OUTLOOK

The U.S. economy is rebounding in 2021, and while headwinds exist, GDP is likely to grow at its fastest pace in decades. Aggregate household finances are strong, with wage growth and government aid supporting high savings and low debt, underpinned by accommodative financial conditions. New business formation has stabilized at a high level after rapid increases through mid-2021. High COVID caseloads are constraining global supply chains, increasing inflation expectations.

COLORADO ECONOMIC OUTLOOK

Colorado's unemployment rate is higher than the national average, but this is in part due to the state's higher labor force participation rate, which is a positive sign for Colorado's near-term economic outlook. While job recovery in the tourism and leisure and hospitality sectors continues to lag other sectors, Colorado has seen significant recovery in demand for these services. There are downside risks to the forecast from continued disparities in the labor market and supply chain disruptions along with continued inflationary concerns. Overall, however, risks remain balanced.

GENERAL FUND REVENUE

General Fund revenue is projected to increase to \$15.3 billion in FY 2021-22, a 7.3 percent change from the prior fiscal year. The projection for FY 2021-22 is \$260.6 million higher than the June forecast. The growth rate is expected to moderate to 3.9 percent in FY 2022-23 and 4.7 percent in FY 2023-24. This upward revision is due to high revenue collections in recent months across all revenue streams as well as strong economic expectations going forward.

CASH FUND REVENUE

Total cash fund revenue subject to TABOR was \$2.2 billion in FY 2020-21, a 2.0 percent reduction from the prior fiscal year. In FY 2021-22, cash fund revenue is projected to increase by 10.4 percent followed by 6.3 percent growth in FY 2022-23 and 5.5 percent growth in FY 2023-24.

TABOR

After exceeding the Referendum C cap (as restored by S.B. 21-260) by \$453.6 million in FY 2020-21, revenue subject to TABOR is expected to remain above this cap through the duration of the forecast period. Current projections show that revenue will be \$1,260.1 million above the cap in FY 2021-22, \$1,277.3 million above the cap in FY 2022-23, and \$1,467.3 million above the cap in FY 2023-24, triggering the temporary income tax rate reduction in each year.

GENERAL FUND RESERVE

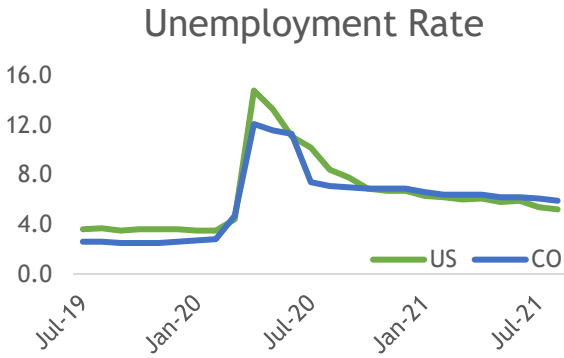
Under this forecast, the General Fund ending balance is projected to be \$1,863.2 million above the statutory reserve level of 13.4 percent of appropriations in FY 2021-22.

Economic Outlook

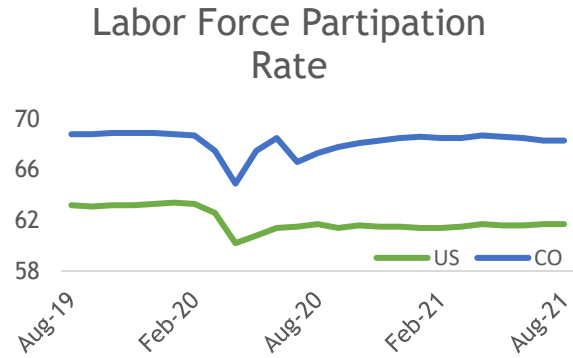
Colorado's economic recovery from the pandemic recession continues at a rapid pace, although headwinds exist. Labor market inefficiencies due to skill mismatches and job preferences are limiting improvements in the job market. Additionally, the Delta variant has reduced consumer confidence and constrained global supply chains, driving up expectations for higher inflation in the short- and medium-term. Monthly new business applications have stabilized at a high level after rapid increases through mid-2021, while business ownership has increased significantly among Blacks and Latinos. Furthermore, household finances are strong, with wage growth and government aid supporting high savings and low debt, underpinned by accommodative financial conditions.

Employment Recovery

Colorado's labor force participation rate was higher than the national rate before the Covid-19 pandemic, and has remained higher than the national rate throughout the pandemic. Colorado's labor force participation rate stood at 68.8 percent in February 2020, dropped to 64.9 percent at the start of the pandemic, and has rebounded nearly completely to stand at 68.3 percent in August 2021. The labor force participation rate for the U.S. has not recovered as strongly, at 61.7 percent in August 2021 compared to 63.3 percent before the pandemic. Similarly, Colorado's unemployment rate was slightly lower than the national rate before the pandemic. However, both Colorado and the U.S.'s unemployment rate remain significantly higher than they were before the pandemic. The United States unemployment rate came in at 5.2 percent in August 2021, while Colorado came in at 5.9 percent. The U.S. has both a lower labor force participation rate and a lower unemployment rate than Colorado. The U.S.'s low labor force participation rate may be a sign of more discouraged workers, which would artificially lower the unemployment rate, whereas Colorado suffers from this problem to a lesser extent.



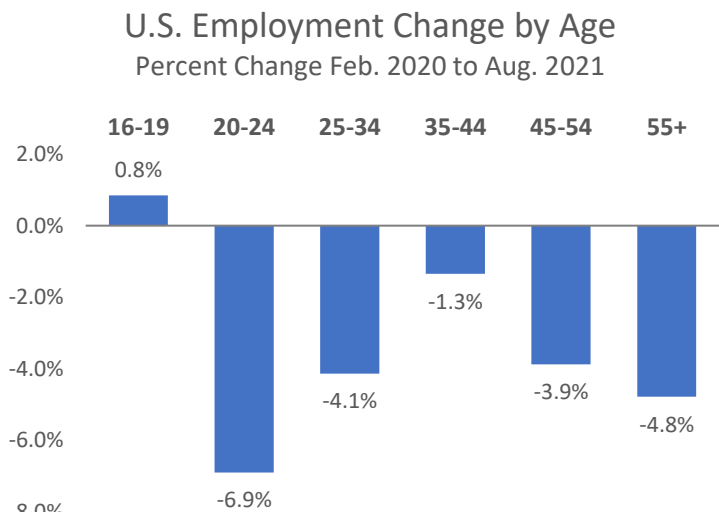
Source: Bureau of Labor Statistics.



Source: Bureau of Labor Statistics.

Although both the labor force participation rate and unemployment rate continue to move closer to their pre-pandemic levels, the labor market recovery has not been even across all demographic groups. For instance, the effect of the pandemic on unemployment has varied across different age groups. The figure below shows the percent change in employment between February 2020 and August 2021 by age group. In other words, it shows how much of employment is still unrecovered since before the pandemic.

At the start of the pandemic, the age groups at the tail ends of the age distribution experienced the biggest losses to employment. Interestingly, the 16-19 age group has also seen the most complete recovery, with the August 2021 employment level 0.8 percent higher than February 2020. This pattern may be explained by the large concentration of 16-19 year olds in the leisure and hospitality industry, which saw large initial declines in employment but is now experiencing a



Source: Bureau of Labor Statistics.

labor shortage. Currently, the 20-24 age group is the least recovered age group, down 6.9 percent from pre-pandemic. This is consistent with the trend that younger age groups tend to have more cyclical employment outcomes. The 55+ age group is still down by 4.8 percent relative to pre-pandemic, which also correlates with an increase in the share of retirees in the population during the pandemic. Prime-age workers have seen the most complete employment recovery, particularly the 35-44 age group.

Another important aspect of the labor market is separating labor supply versus labor demand. The total number of job openings is a measure of labor demand while the unemployment level

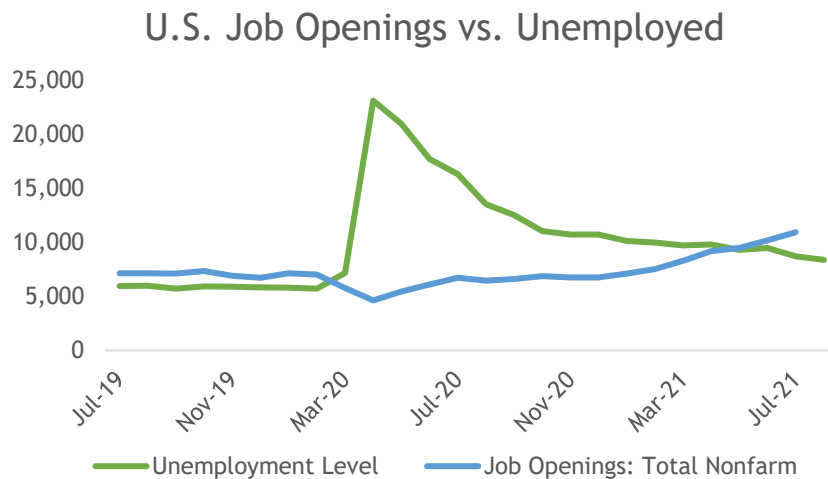
is a measure of active and available labor supply. Prior to the pandemic, the number of job openings was consistently higher than the level of unemployment, which corresponds to a tight labor market during an expansion period. Between February and April 2020, the total number of unemployed persons increased by 17,392, primarily due to layoffs or other loss of employment, while job openings dropped by 2,382. This caused a historically high unemployment rate and signaled that supply significantly outpaced demand for labor.

Since April 2020, labor demand has recovered significantly and total job openings have surpassed unemployment as of May 2021. Job openings exceeded unemployment by 1,295 in February 2020, and exceeded by

2,232 in July 2021, signaling that the labor demand is outpacing supply to a greater degree than before the pandemic. Businesses are reporting significant labor shortage issues and difficulty hiring as a result of labor demand exceeding supply, which in many cases is constraining output.¹

According to the August

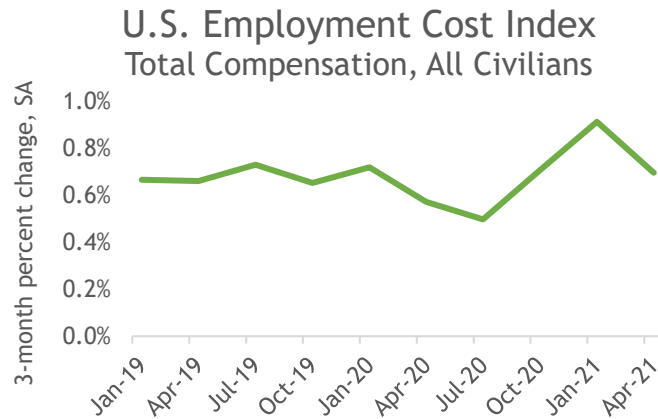
National Federation for Independent Business Small Business Optimism Survey, half of small business owners reported job openings that could not be filled. This is due to both labor demand (a seasonally adjusted 32 percent of owners are planning to create jobs in the next few months) and labor supply drivers (29 percent of owners trying to hire reported no qualified applicants for their open positions). The notion that business are reporting such broad-based labor supply issues seems counterintuitive given the elevated level of unemployment; however, there are a few potential explanations for these difficulties including: (1) mismatch in wage expectations and skills between unemployed individuals and employers that are hiring and (2) shifting preferences for unemployed individuals away from traditional low-wage jobs and toward other alternatives due to concerns around COVID-19 risks and the buffer of accumulated savings. Additionally, women without a college degree who have children have had particularly low labor force participation since the beginning of the pandemic, suggesting that childcare access may also be restricting labor supply for this group.



¹ Federal Reserve September 2021 Summary of Commentary on Current Economic Conditions ("Beige Book")

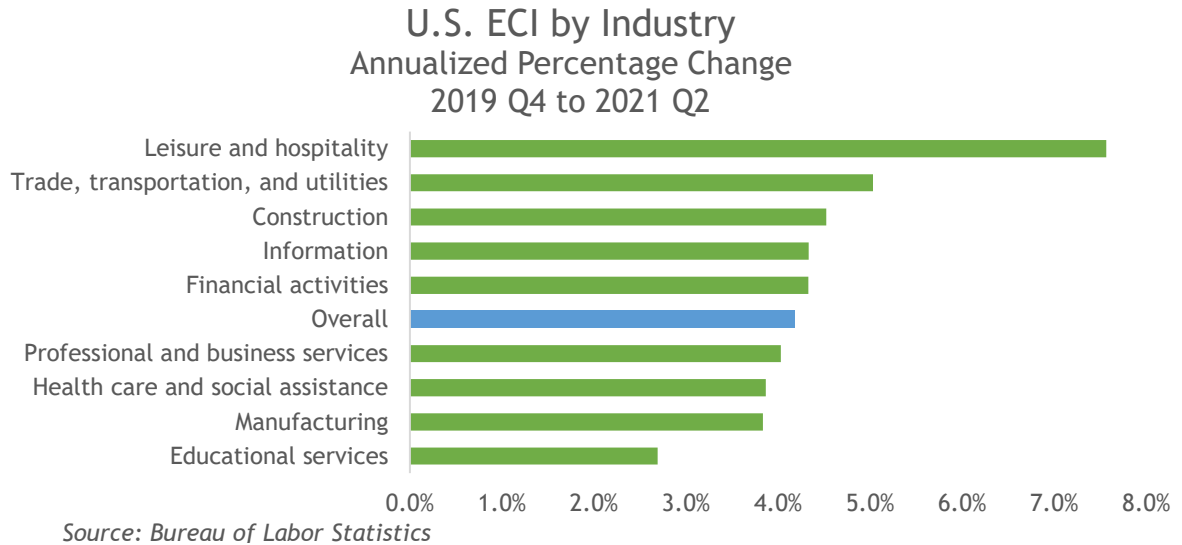
Wages

Wage growth has been particularly strong in 2021 after slowing in 2020. Covid-19 caused workers in low-wage occupations to leave the labor force and become unemployed at higher rates than those in higher-wage occupations, therefore changing the composition of the labor force. While this change in composition artificially raised some measures of wage growth through 2020, and artificially lowered in them 2021, the Employment Cost Index (ECI) is a reliable metric as it measures total compensation for a fixed ‘basket’ of jobs and is less sensitive to changes in composition. Prior to the pandemic, total compensation measured by the ECI was growing at approximately 0.7 percent per quarter. At the onset of the pandemic in 2020, growth slowed to 0.5 percent before rebounding. In the first quarter of 2021, growth was well above trend reaching 0.9 percent, but has returned closer to trend in the second quarter at 0.7 percent.



Source: Bureau of Labor Statistics

The wage growth recovery has not been consistent across all industries. The graph below shows the percent change in ECI between the pre-pandemic level and Q2 of 2021. The ECI for Leisure and Hospitality is 7.6 percent higher than pre-pandemic levels, compared to 4.2 percent for the economy as a whole. Leisure and Hospitality has grown by nearly 4 percent in 2021 alone. The high wage growth in Leisure and Hospitality is likely being driven by the labor shortage in this industry. The job openings rate for Leisure and Hospitality reached 10.1 percent in July 2021, compared to 5.3 percent before the pandemic, signaling that there are many jobs open as businesses struggle to find workers. On the other end of the spectrum, wage growth in Educational Services has been the slowest of all industries, at 2.4 percent, which is lower than its pre-pandemic trend, largely driven by slow wage growth in higher education.



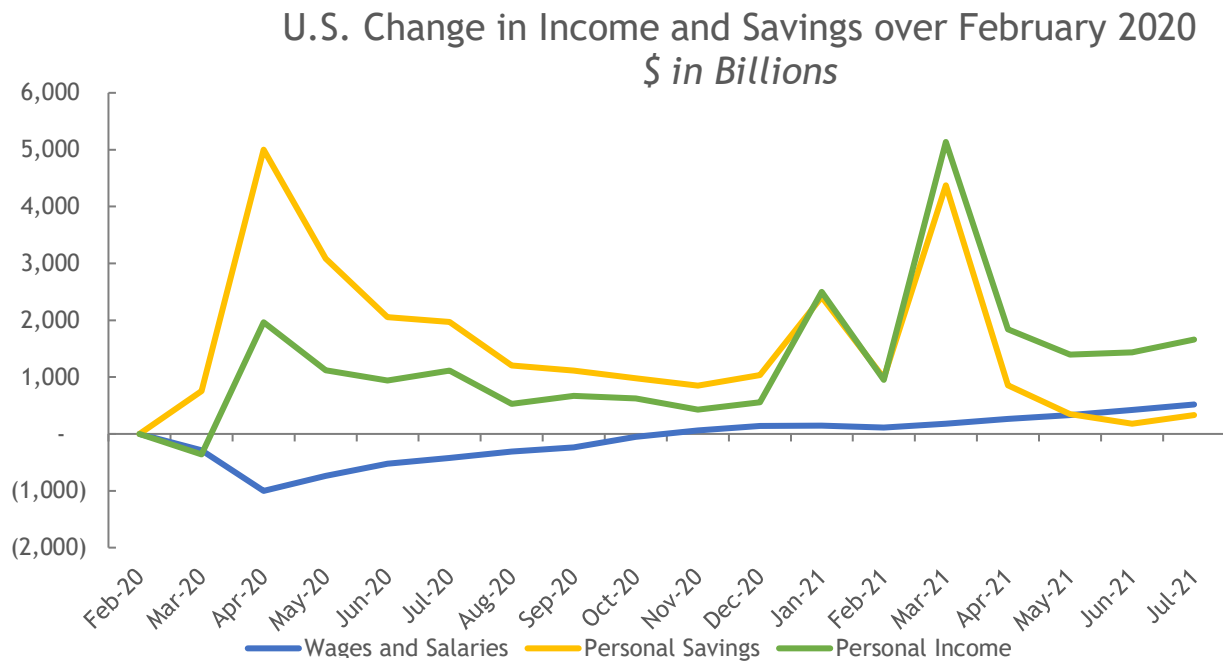
Household Finances

Household finances continue to strengthen following the pandemic. National data show that aggregate wages and salaries stand at \$10.3 trillion, which exceeds pre-pandemic levels by more than \$500 billion. In July 2021, wages and salaries increased by 10.1 percent compared to the prior July. This is substantially greater than the 4.3 percent compound average annual growth rate observed between 2010 and 2019.

Total personal income, which includes wages and salaries, government transfers, and other sources, remains elevated and grew slightly in July. This growth partially reflects implementation of the federal Child Tax Credit (CTC), which provides many taxpayers monthly payments between July and December of 2021. Taxpayers may receive up to \$300 per month per child, with smaller amounts for higher income taxpayers. In Colorado, approximately 600,000 taxpayers are receiving the Child Tax Credit, and the aggregate tax credit amounts to approximately \$255 million per month. Preliminary evidence on the impact of the CTC indicates that it is helping low-income families escape poverty. Economists have found that the percentage of families with children earning less than \$35,000 per year who reported not having enough to eat dropped by 8 percentage points due to the first CTC payment in July.²

Personal savings in July were only slightly above levels observed before the pandemic, but consumers have accumulated roughly \$2.3 trillion in savings over the course of the pandemic and recovery. These savings will support continued spending even as government relief payments expire.

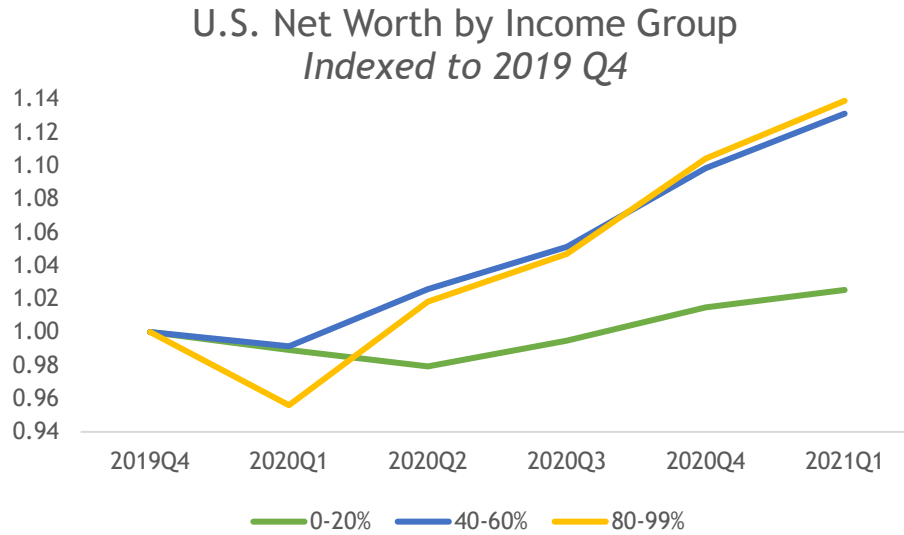
² Parolin Z, Ananat E, Collyer S, Curran M, Wimer C. "The Initial Effects of the Expanded Child Tax Credit on Material Hardship," Columbia University Center on Poverty and Social Policy, Working Paper, August 30, 2021.



Source: Bureau of Economic Analysis.

Despite the overall positive data on household incomes, wealth disparities remain and have been exacerbated through the pandemic and recovery. For example, the wealth gap between high- and low-income earners has widened during the pandemic and recovery. Individuals in the 80 to 99th percentile of the income distribution had an aggregate net worth of \$57.0 trillion in the first quarter of 2021. The net worth of individuals in the 0 to 20th percentile was \$3.5 trillion: a difference of \$53.5 trillion. Just one year earlier, the difference was \$44.5 trillion.

From the last quarter of 2019 to the second quarter of 2021, the net worth of people in the 0 to 20th percentile of the income distribution increased by 2.5 percent. Before the pandemic, the net worth for this group was growing at roughly 15 percent per year. However, the net worth of people in middle-income category (40 to 60th percentile of the income distribution) and high-income category (80th to 99th percentile) rose by 13.1 and 13.9 percent, respectively. For these two income groups, the rate of growth is more than double the pre-pandemic rates. Real estate and investment assets (e.g., stock ownership) have recorded record growth recently, but ownership of those asset types is concentrated among those in the middle- and high-income categories.

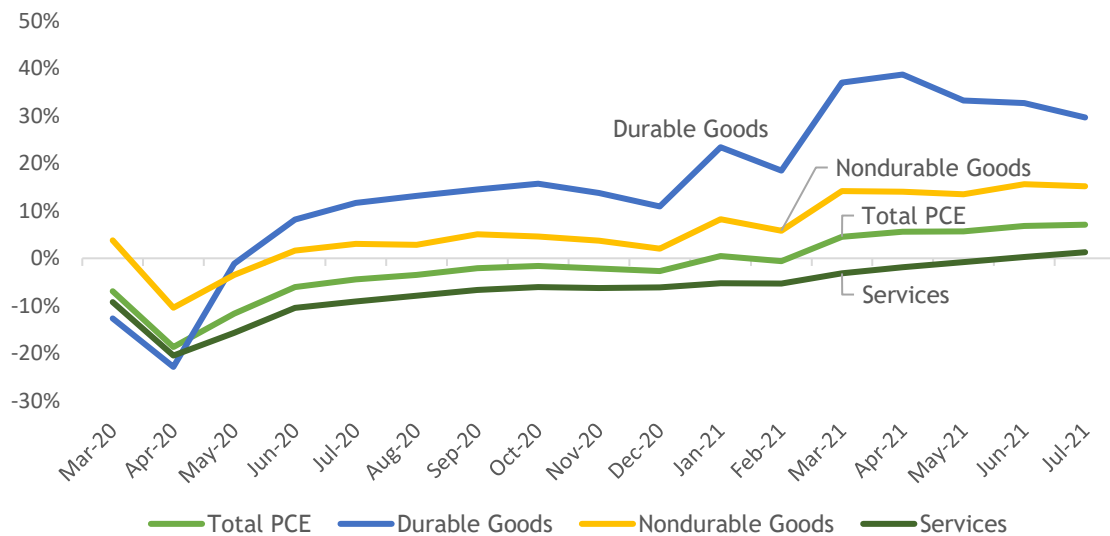


Source: Board of Governors of the Federal Reserve System

Retail Sales and Consumer Spending

Consumer spending has remained strong over the course of the pandemic recession and recovery. This strength in consumer demand has been bolstered by federal stimulus and strong wage growth in addition to fewer spending opportunities early on in the pandemic, which led to significant accumulated savings for all income groups across the country, as described above. While spending has remained strong, there have been notable changes in the way individuals spend and these are indicative of broader changes across the economy.

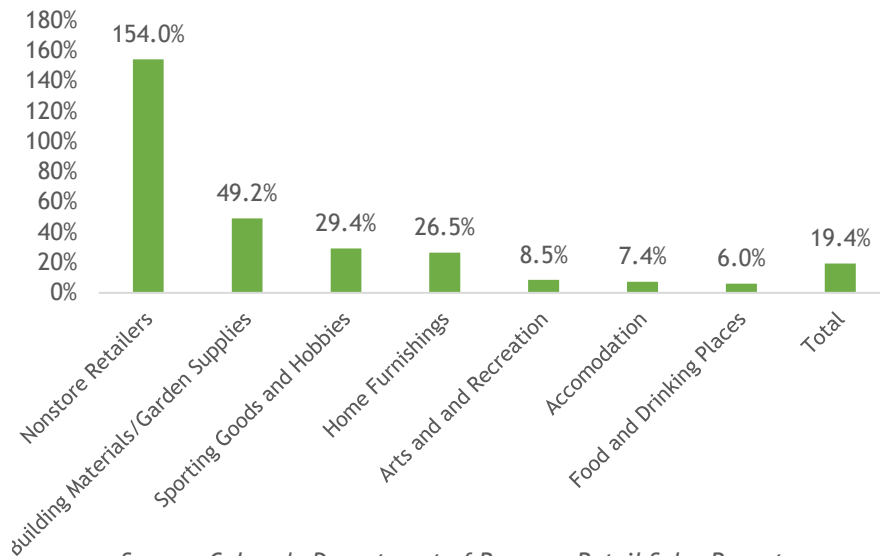
U.S. Personal Consumption Expenditures Percentage Change Since February 2020



Source: Bureau of Economic Analysis.

The graph above depicts changes in monthly personal consumption expenditures (PCE) across the U.S. since the start of the pandemic. While total PCE declined nearly 20.5 percent below the February 2020 level in April 2020, expenditures steadily recovered to the pre-pandemic level in January 2021, and have exceeded that level since March. The strong recovery in total PCE has been driven by significantly above-trend spending on durable goods as well as higher spending on nondurable goods. At the same time, total PCE have been limited by services spending, which comprises a much larger portion of PCE and only reached its pre-pandemic level in June 2021. While durable goods have declined slightly from their April 2021 highs, durable goods purchases continue well above trend despite services spending now also being fully recovered. Still, the question remains as to whether total PCE will stay elevated at this “new normal” level for years to come or if durable goods purchases will continue to decline until they return back to pre-pandemic levels as accumulated savings diminish. At the moment, durable goods show no signs of an abrupt slowdown of this kind and the greatest risk is likely to the services side of the equation as the Delta variant continues to spread.

June Colorado Retail Sales by Industry Percentage Change 2021 vs. 2019



Source: Colorado Department of Revenue Retail Sales Reports

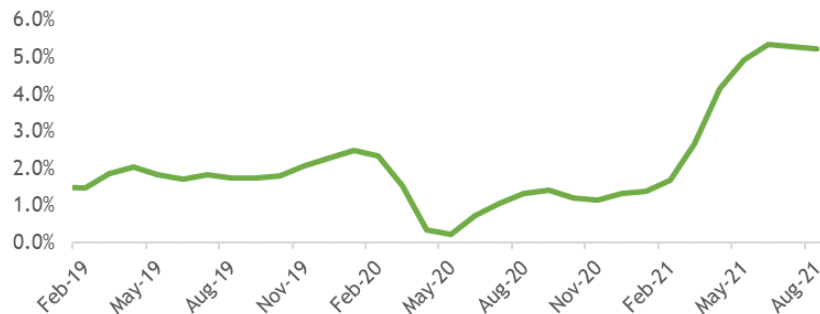
While personal consumption expenditures look at the entire basket of goods and services, the graph on the left focuses more specifically on retail sales and food services in Colorado to highlight some of the specific evolutions in spending across the economy. Notably, total retail sales are up 19 percent over 2019 levels in June. Non-store retailers (up 154 percent) have seen the biggest increase as compared to pre-pandemic. While some of

this increase (and some of the total increase) is likely due to the *Wayfair* decision and increased collection of sales reporting from online sellers, it is also the case that this increase is indicative of a broader shift in consumer behavior. Similarly, other goods like garden supplies, home furnishings, and sporting equipment have seen significant growth over 2019 levels. Finally, while hospitality industries such as arts and entertainment, hotels, and restaurants have been the slowest to recover, even sales in these sectors were above 2019 levels in May.

Inflation

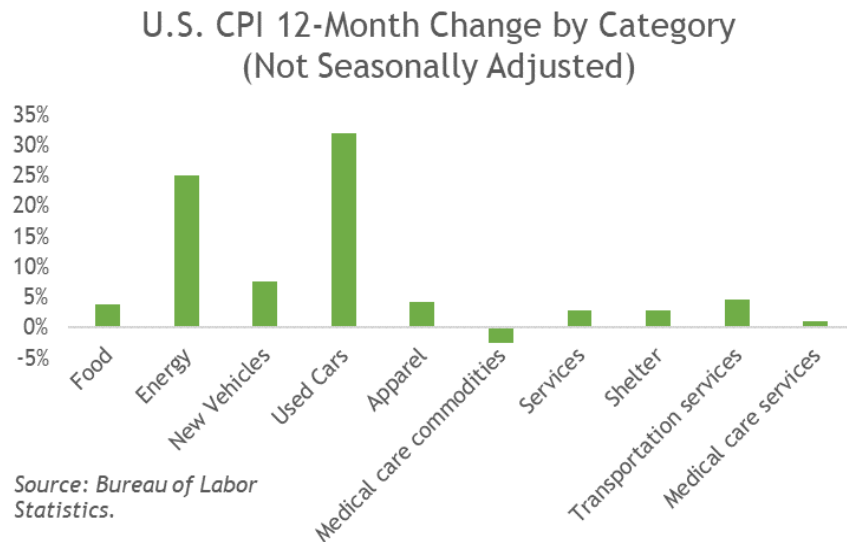
Year-over-year inflation in the US has risen sharply since the beginning of 2021, in August increasing 5.3 percent over the course of the last 12 months, a slight decline from 5.4 percent in July, with core inflation rising 4.0 percent compared to 4.3 percent in July. Despite the slight decline in the growth rate in August, the current rate of inflation is still well above historical norms. The base effects resulting from reduced consumption at the onset of the pandemic is partially responsible for the historic

U.S. CPI 12-Month Change (Not Seasonally Adjusted)



Source: Bureau of Labor Statistics.

highs in recent months. However, this increase since April has also been a result of supply chain disruptions leading to temporary shortages, as well as continued consumer demand given the



strong household finances. Looking at the component-level trends, used cars remain a driver as stimulus-driven demand has coincided with supply-driven shortages due to semiconductor supply chain issues that have led to a 31.9 percent 12-month change in used car prices in August. Continued lockdowns in Asia may continue to

cause disruptions, potentially sustaining the period of high prices for longer. Energy prices are rising rapidly as well due to a combination of supply- and demand-side factors that has translated into higher oil and gas prices. Additionally, prices for food away from home have started to rise, 4.7 percent over the last 12 months in August, likely due to restaurants passing along sectoral wage increases to the consumer. Finally, the shelter category has started to accelerate, making up over half of core inflation increases in July, growing 2.8 percent over the last 12 months but showing increasing signs of life since starting the year at 1.6 percent over 12 months. Traditionally, shelter prices, which are rental prices or rental equivalents, follow a five-quarter lag behind housing price movements,³ so some level of sustained inflation is likely as long as a similar relationship between housing prices and rental prices holds true this time.

The key question now is how transitory are the expectations for continued inflation. The Federal Bank of New York's recent *Survey of Consumer Expectations* in August shows that median one-year-ahead inflation expectations rose to 5.2 percent. Meanwhile, longer run measures (for 5-10 years out) taken at the University of Michigan rose to 3.0 percent in August after holding at 2.8 percent the prior two months.⁴ Therefore, consumers believe that current supply chain constraints and excess demand will continue to be a cause for concern over the next year then slowly mitigate over time. However, the financial markets appear less concerned about a sustained upward shift in inflation expectations, as seen here in the 5-year inflation expectation

³ "Housing Insights: Housing Poised to Become Strong Driver of Inflation", Fannie Mae, June 9, 2021

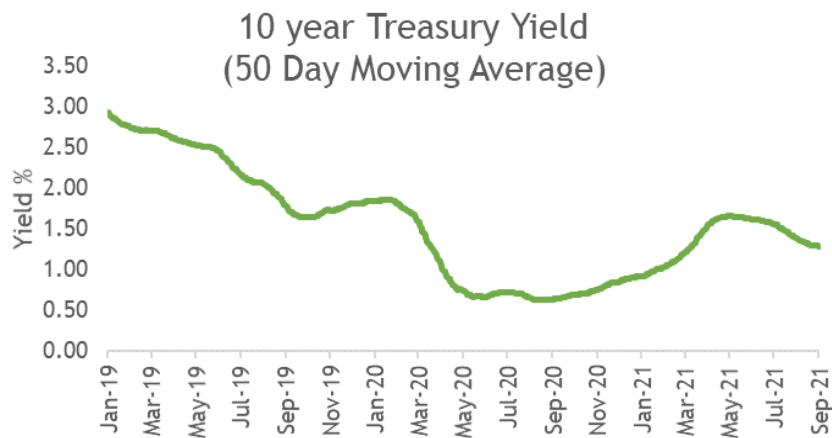
⁴ University of Michigan Surveys of Consumers, August 13, 2021

chart. This series, the relative ratio between the 10-year and 5-year nominal and inflation adjusted Treasury securities, indicates that medium term expectations for inflation are well anchored within recent bounds. This implies a level of trust in the Federal Reserve to appropriately target long-term inflation while allowing it to run hot in the short-term as long as the labor market remains a concern.



Lending Conditions

Building on the discussion of inflation targets and the Federal Reserve, current favorable market conditions have led to easy lending standards and low interest rates. Lending conditions had already remained supportive since the June forecast for a couple reasons. First, the environment is low-risk due to the fiscal support and elevated household savings. Low risk to default on consumer spending has contributed to banks relaxing requirements when lending, according to UBS research.⁵ Additionally, S&P Global expects the speculative-grade corporate default rate to decline to 2.5 percent by June 2022 from 3.8 percent as of June 2021.⁶



Source: Board of Governors of the Federal Reserve System.

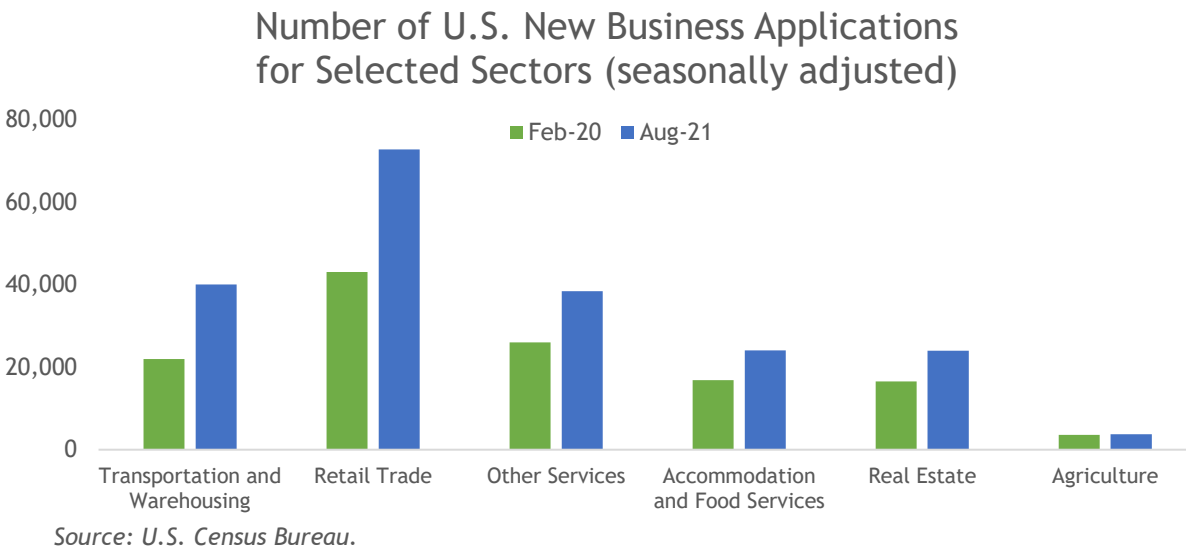
⁵ "US banks relax lending standards in battle to lend", OLT News, May 2, 2021

⁶ "Default, Transition, and Recovery: The U.S. Speculative-Grade Corporate Default Rate Could Fall to 2.5% By June 2022", S&P Global Ratings, August 20, 2021

Second, long-term interest rates (10-year to 30-year Treasuries) are currently driven in part by perceptions of a slow labor market recovery that indicate to many that the Fed will continue to provide support with lower interest rates. This expectation of low long-term rates is illustrated here through the average yield of the 10-year Treasury, which has been falling since April as labor supply concerns began to materialize. These low interest rates allow for cheap borrowing for individuals and businesses alike, which can support a strong economic recovery and additionally provide low cost debt for everything from mortgages to car loans.

Small Business

The number of new business applications in both Colorado and the US has stabilized at a high level since spring after experiencing unprecedented growth between April 2020 and January 2021. National data shows that this increase in entrepreneurship is across all sectors. The largest was for new applications for transportation and warehousing businesses, increasing 83 percent between February 2020 and August 2021. In addition, applications for retail trade businesses increased 69 percent during that period, with most likely non-store retail startups selling goods and services online. The smallest increases came in the agriculture (4 percent) and mining sectors (9 percent).



National estimates also indicate that this national startup surge is disproportionately concentrated among non-White groups (and increasingly in suburban areas⁷). As of August 2021 the number of small businesses owned by Whites was three percent lower than before the pandemic, while it was two percent lower for Asians, 15 percent higher for Latinos, and 38 percent higher for Blacks.⁸ Payroll data shows this trend is heightened for women entrepreneurs,

⁷ “New Business Creation During COVID-19: A Survey of Pandemic Entrepreneurs”, Luke Pardue, Gusto, May 13, 2021

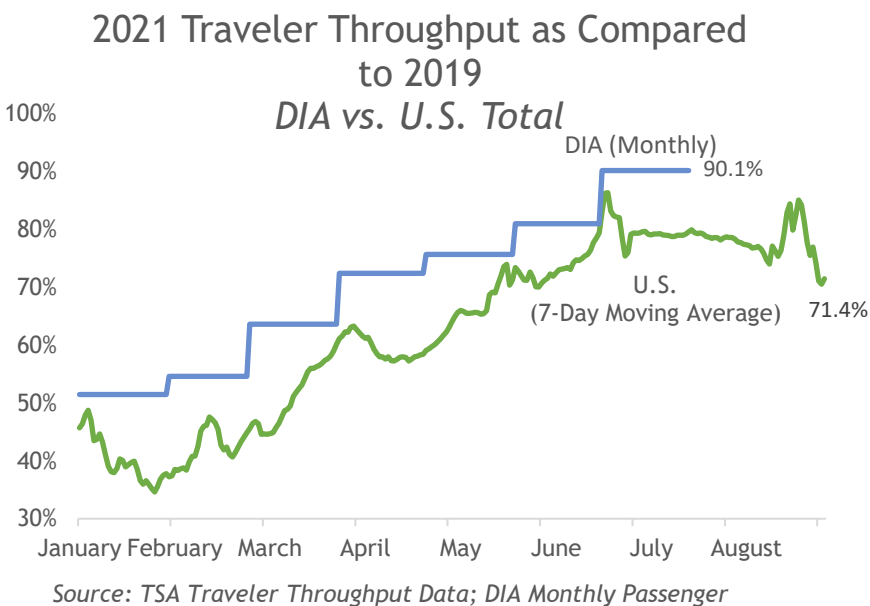
⁸ Robert Fairlie, UC Santa Cruz

with 47 percent of small businesses started by women in 2020 minority-owned.⁹ Many of these new entrepreneurs of color may have been previously laid off, since small businesses located in majority-minority neighborhoods were both less profitable during the pandemic¹⁰ and closed at higher rates (36 percent) compared to majority-white neighborhoods (22 percent).¹¹

Overall, like their larger counterparts, small businesses have had trouble finding workers. 50 percent of small business owners in an August national survey reported job openings that could not be filled, the highest in the survey's history, and significantly above the 48-year historical average of 22 percent.¹²

Tourism, Leisure, and Hospitality

The recovery of the tourism, leisure, and hospitality industries that were devastated by the onset of the pandemic has been a key focus of economists and policymakers. These tourism and leisure-related sectors (including accommodations, food services, arts, entertainment, and recreation) accounted for 11.2 percent of employment in Colorado in 2019.¹³ While the job recovery in these sectors continues to lag behind other sectors in the economy (see labor market section, above), Colorado has seen significant recovery in the demand for these services. Below are two graphs that depict the recovery to these industries in Colorado, as well as a description of the risks that persist with the presence of the Delta variant.



This graph compares total U.S. TSA traveler throughput to originating passengers at Denver International Airport (DIA). The blue line shows that DIA passengers totaled 90.1 percent of 2019 levels in July of this year as compared to a U.S. average of only 71.4 percent as of the most recent daily passenger data.

⁹ "Who Started Businesses During the Pandemic? A Survey of Women Starting Businesses During COVID", Luke Pardue, Gusto, March 17, 2021

¹⁰ "Small Business Finances in Illinois during the COVID-19 Pandemic", JPMorgan Chase Institute, June 2021

¹¹ "2020 – A challenging year for SMBS", Safaa Amer, Facebook, 2021

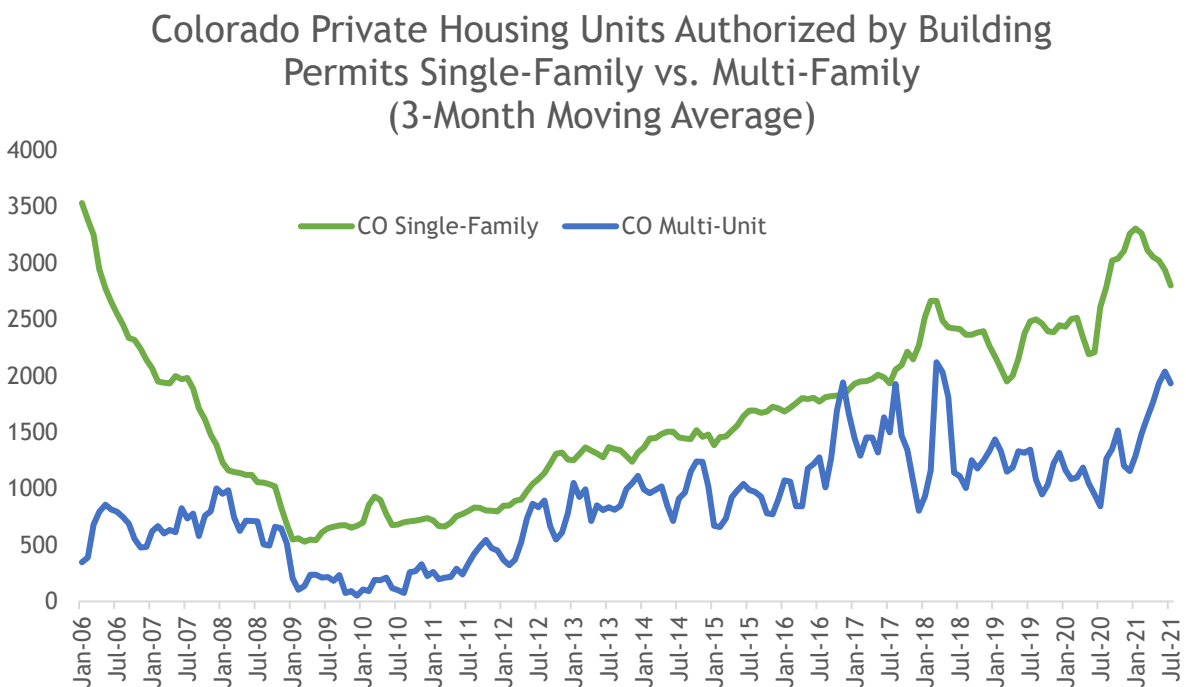
¹² August 2021 National Federation of Independent Business Jobs Report

¹³ Bureau of Labor Statistics.

This graph also highlights that the Delta variant poses significant future risks for travel. While these impacts had not yet appeared as of the July DIA data release, it is possible that this has been a factor in the drop-off in total U.S. air travel that has taken place since July. These impacts may be seen especially in a delay to the return of business travel, a segment that makes up an estimated 24 percent of total domestic trips and is already struggling significantly more than leisure travel.¹⁴ To highlight that difference, many other airports across Colorado that rely more heavily on leisure travel have actually recovered well above 2019 levels, such as Aspen, which is up 7 percent over 2019.¹⁵

Housing Market

Unlike the Great Recession, which caused a precipitous drop in residential construction in both Colorado and the US, the pandemic recession has had the opposite effect. Between April 2020 and July 2021, building permits for single-family and multi-unit residences in Colorado increased by 43 percent and 50 percent on a seasonally adjusted basis, respectively.



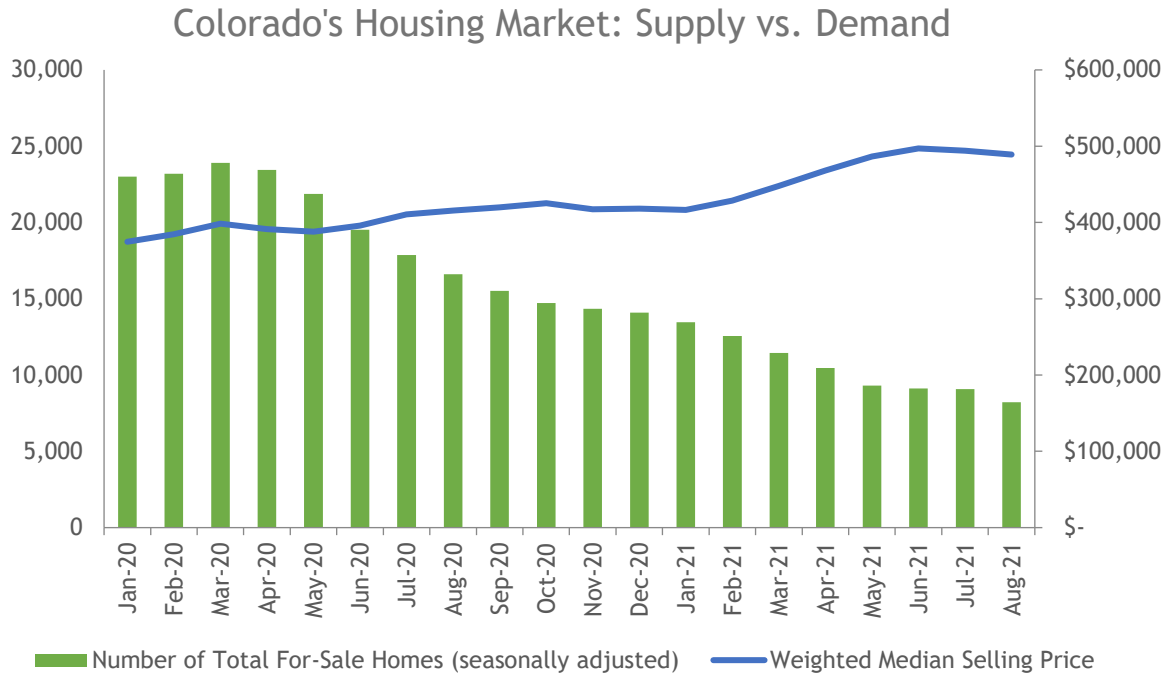
Source: US Census Bureau.

This housing boom is primarily because of strong household finances, low mortgage rates, and increased household formation. Given already high pre-pandemic housing demand and active listings at their lowest point since the Colorado Association of Realtors began tracking inventory

¹⁴ U.S. Travel Association

¹⁵ "July aircraft activity up slightly over same month in 2020, 7% over 2019," *Aspen Daily News*, August 26, 2021

data in 2010, this has led to the median sales price of a Colorado single-family home reaching a historic high of \$530,000 in June 2021, with the median townhouse/condo sales price also peaking at \$387,000 in May 2021 (though both have slightly decreased since then). At the same time, the normal summertime surge of inventory did not occur this year. Home sales have also occurred at historic speed, with the average single-family home and townhouse/condo spending just 24 and 25 days on the market in August 2021, respectively, compared to 109 and 137 days on the market in January 2010.



Source: Colorado Association of Realtors

In addition, supply chain bottlenecks and the rising cost of construction labor have led to more measured increases in home construction since April. However, prices appear to be stabilizing. The expiration of the federal ban on foreclosures may result in more inventory, although the delinquency rate on single-family home mortgages is still at one of its lowest points since 2007. Overall, however, increased household formation and a stronger preference for aging in place may point to a new normal with less inventory than in past decades, increasing pressure on housing prices in the long run.

For similar reasons the rental market has not been spared from price increases either, particularly in urban areas, although some of this is because of below-trend rent increases in 2020. An Apartment Association of Metro Denver report indicated that the average apartment rent in metro Denver was \$1,651 during the second quarter of 2021, a 9 percent year-over-year increase and the largest quarterly increase since the survey was introduced in 1981. Even larger annual

rent increases have been recently reported in Thornton (18 percent), Colorado Springs (17 percent), Longmont (15 percent), and mountain communities.¹⁶

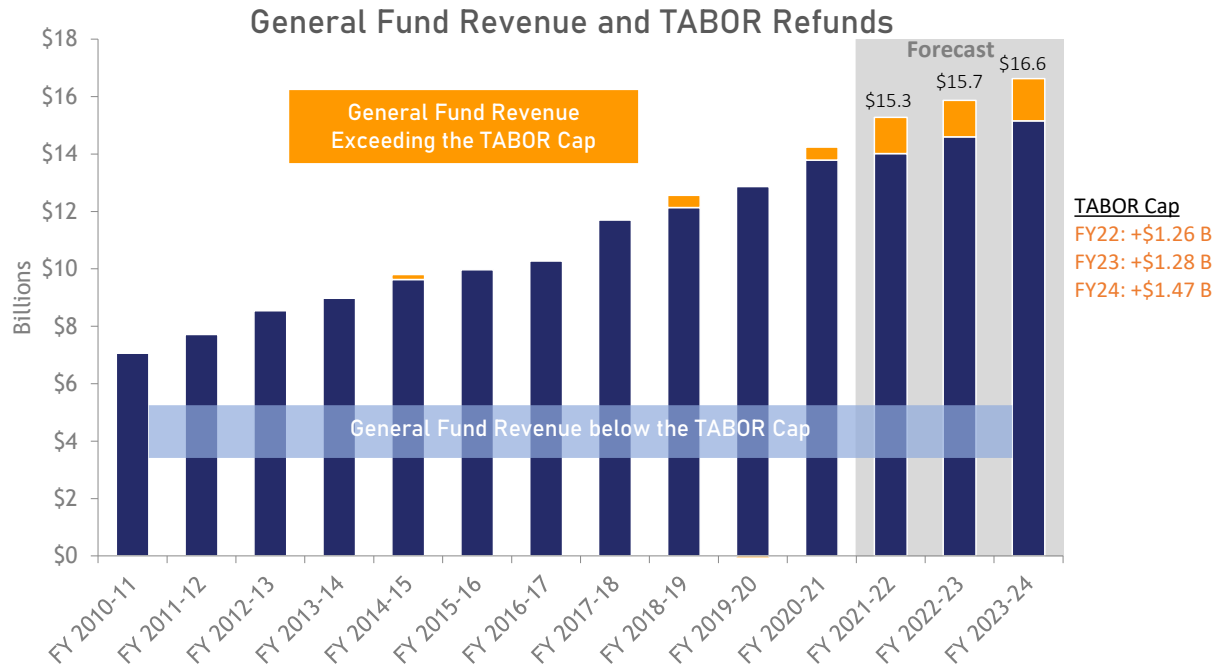
Forecast Risks

There is downside risk to the forecast as continued disparities in the labor market and supply chain disruptions may be a drag on further growth as well as a driver of possibly more permanent inflationary concerns. Overall, however, the risks to the forecast are balanced to the upside as wage growth shows signs of strength as the recovery continues and financial conditions are historically supportive.

Revenue Outlook – General Fund

General Fund revenue is projected to increase to \$15.3 billion in FY 2021-22, a 7.3 percent change from the prior fiscal year. The projection for FY 2021-22 is \$260.6 million higher than the June forecast. The growth rate is expected to moderate to 3.9 percent in FY 2022-23 and 4.7 percent in FY 2023-24.

¹⁶ Apartment List Colorado rent estimates, updated August 26, 2021



The upward revision to the forecast reflects continued strength in the current economic recovery, as vaccine distribution and high consumer demand fuel business activity.

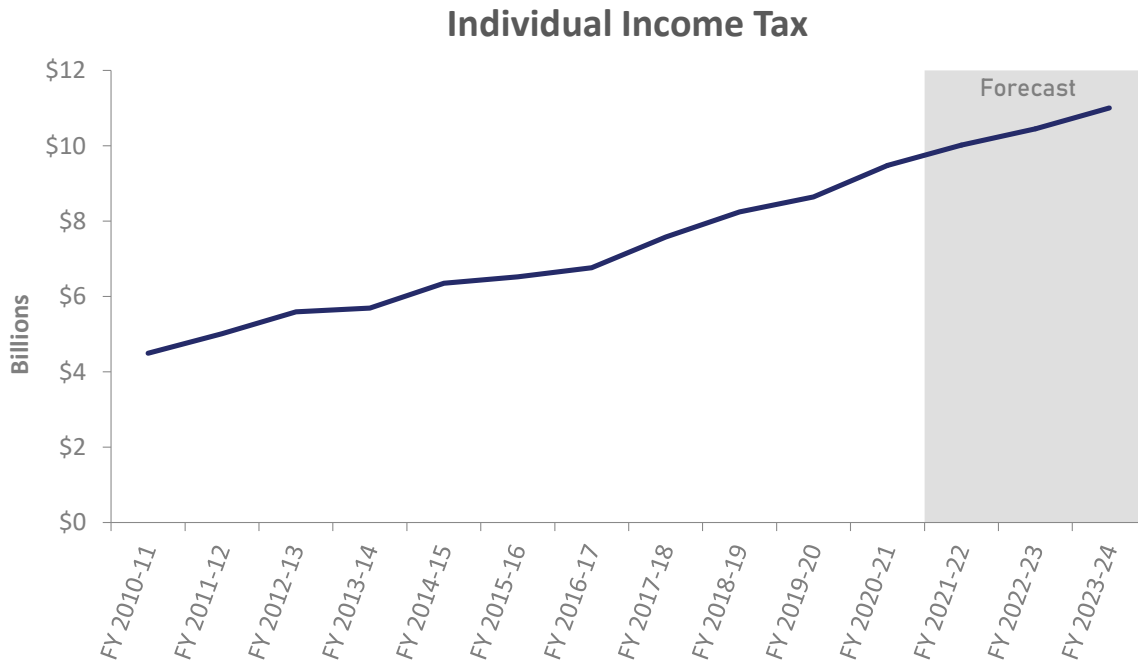
General Fund revenue is projected to exceed the TABOR cap in the current fiscal year and throughout the forecast period. Revenue is expected to exceed the cap by \$1.3 billion in FY 2021-22, which is \$250.4 million more than forecasted in June. General Fund revenue above the cap is projected to reach \$1.5 billion by FY 2023-24.

Individual Income Tax

Individual income tax receipts in FY 2020-21 amounted to \$9.5 billion. This represents a 9.7 percent increase (\$837.7 billion) compared to FY 2019-20.

Future growth rates are projected to be more moderate but will remain strong as the economy is expected to continue its steady growth. The state's unemployment rate is forecast to decline from 5.9 percent in 2021 down to 3.8 percent in 2023, while the annual growth rates for wages and salaries are expected to range from 6.1 percent to 4.8 percent over that same time span. Income from capital gains will also contribute to rising receipts with the strong growth in real estate and investment values. At the same time, changes in federal and state tax policy are reducing income tax liabilities for many taxpayers by several hundred million dollars.

Individual income tax revenue is forecasted to climb 5.7 percent in FY 2021-22 to \$10.0 billion. Receipts are projected to grow an additional 4.3 percent in FY 2022-23 to \$10.4 billion, and reach \$11.0 billion in FY 2023-24; these estimates are only marginally higher than projected in the June forecast.



Corporate Income Tax

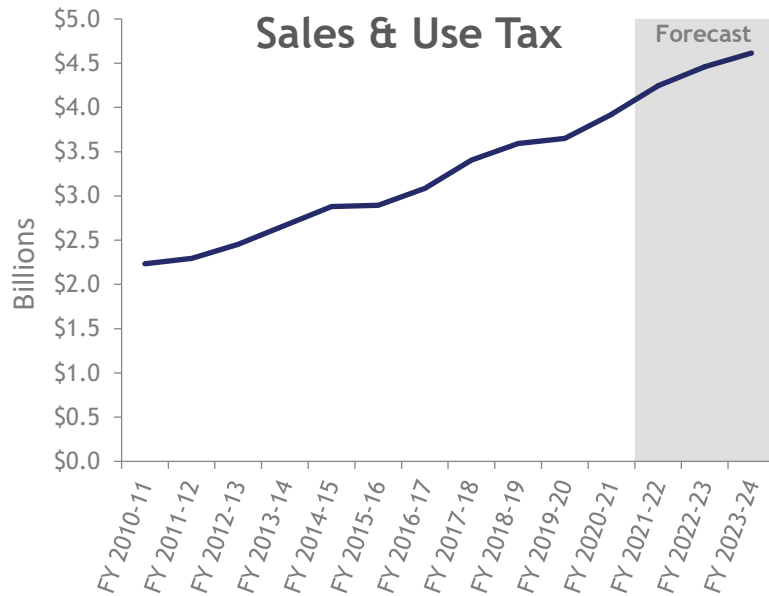
Corporate income tax collections increased by 62.5 percent in FY 2020-21 to \$1,183.7 million, the highest total on record. Federal relief in the form of expense reductions reduced revenue to an extent, but was more than offset by other government support and record corporate profits. Corporate income tax receipts are projected to fall from these historic highs in FY 2021-22 by 21.3 percent as conditions normalize. With corporate profits revised up from the previous forecast in 2022 and 2023, the projected FY 2022-23 corporate revenue is now expected to increase slightly, 1.0 percent, instead of decreasing. Finally, in FY 2023-24, corporate tax revenues are expected to grow by 5.7 percent, resulting in the second highest total on record after FY 2020-21. Note, recently passed state bills are expected to limit certain deductions in FY 2021-22 through FY 2023-24, but the overall impact on corporate revenue collections is rather limited.



Sales and Use Taxes

Sales tax revenue grew 7.0 percent in FY 2020-21 and is expected to grow by an additional 9.5 percent in FY 2021-22 before slowing to 5.2 percent growth in FY 2022-23. Relative to the June forecast, the projection for FY 2021-22 was revised upward by approximately \$78.7 million to \$3.746 billion. The projection for FY 2022-23 was also revised upward by \$64.5 million. Finally, we have projected FY 2023-24 revenue for the first time in this forecast and are expecting slower but continued growth of 3.5 percent to \$4.077 billion.

The upward revision to FY 2021-22 is a result of strong collections continuing into July and August. Detailed Colorado data through June shows that this increase has been driven by increased consumption across the spectrum of goods, with particularly strong spending at non-store retailers, building and gardening supply stores, and on sporting goods and hobbies. In addition, arts and recreation, accommodations,



and food and drinking places all showed strong recoveries in June, all above 2019 June levels. Additional upward revisions to growth in FY 2021-22 and FY 2022-23 reflect new data showing that July and August collections have continued an upward trajectory above expectations, and while we expect that this growth will ease as we move into the fall and winter, it is clear that the effects of increased savings and pent-up demand across the economy persist.

Note that these sales tax revenue estimates incorporate bills passed over the course of the 2021 Colorado legislative session. Policy-related adjustments for FY 2021-22 through FY 2023-24 are -\$27.7 million, +\$27.6 million, and +\$30.9 million respectively.

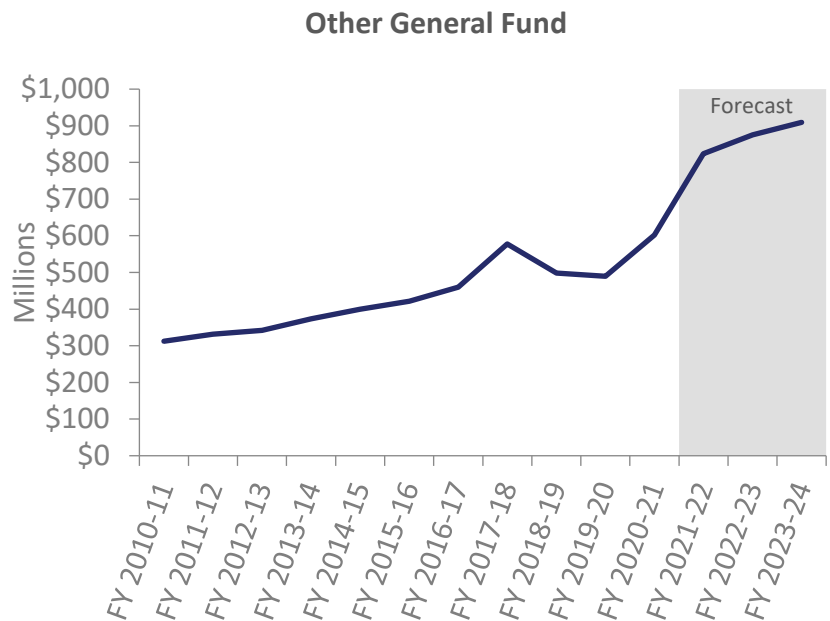
Use tax revenue increased 1.8 percent to \$214.2 million in FY 2020-21 after a 39.1 percent decline in FY 2019-20 as a result of HB 19-1240 and the collection of out-of-state sales tax. Further, it is expected that use taxes will continue to rebound to \$227.9 million in FY 2021-22 and grow to \$235.0 million in FY 2022-23. These projections are revised upward from June's forecast due to higher-than-expected collections in June, July, and August and the projections assume that the trade-off between sales and use revenue as a result of HB 19-1240 has largely leveled off as a more normal relationship between sales and use collections resumes.

After a 27.4 percent increase to \$245.5 million in FY 2019-20, the 15 percent special sales tax on marijuana retail sales increased by another 17.4 percent to \$288.2 million in FY 2020-21. After two months with relatively weaker collections than expected in July and August, marijuana revenue is expected to decline by 5.7 percent in FY 2021-22 and resume slower growth in FY 2022-23 and FY 2023-24. Further analysis of marijuana tax collections can be found in the Revenue Outlook – Cash Funds section of this report.

Other General Fund Revenue

Other General Fund revenue includes excise taxes on cigarettes, tobacco, nicotine, and liquor, as well as insurance premium tax revenue and interest income. Other General Fund revenue is expected to increase by 36.8 percent in FY 2021-22, followed by growth of another 6.2 percent in FY 2022-23 and 3.9 percent in FY 2023-24. This estimate was revised upward from the June forecast due to higher than expected cigarette and nicotine revenues in recent months. In particular, bulk buying of cigarettes and other tobacco products in December 2020, just prior to the imposition of the new Proposition EE taxes on cigarettes, nicotine, and other tobacco products, weighed heavily on collections through May. However, incoming cigarette revenue has returned to pre-Proposition EE trends since the previous forecast. Additionally, nicotine revenue came in much higher than expected since the June forecast, resulting in a higher forecast for nicotine revenue for FY 2021-22 and FY 2022-23.

The forecast for Other General Fund Revenue has increased significantly from the FY 2019-20 forecast for FY 2021-22 and onward, which is largely due to additional revenues resulting from the approval of Proposition EE. Proposition EE, a ballot measure approved in November 2020, imposes additional taxes on cigarettes and other tobacco products and creates a tax on other nicotine products



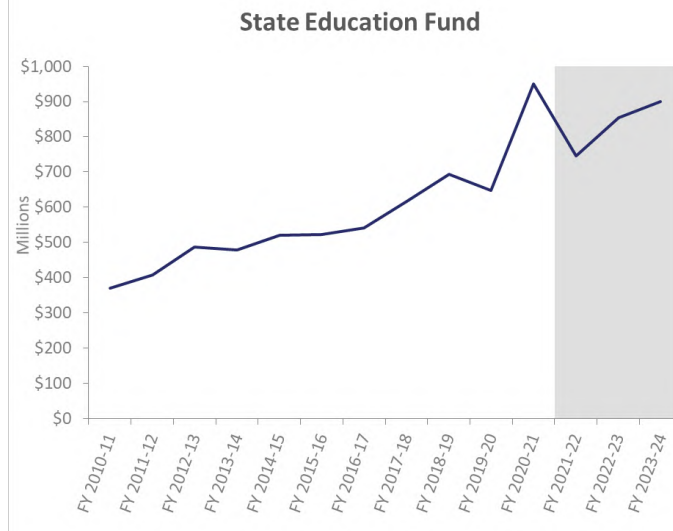
such as e-cigarettes, which were implemented in January 2021. Specifically, Proposition EE adds a tax of \$1.10 per pack of cigarettes, more than doubling the current tax of \$0.84 per pack. In addition, Proposition EE increases the tax on other tobacco products by 10 percentage points from 40 percent of manufacturer's list price (MLP) to 50 percent of MLP. Finally, Proposition EE creates a tax on other nicotine products, starting at 30 percent of MLP and increasing to 50 percent of MLP by the end of this forecast period (FY 2022-24). Through FY 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. Looking past FY 2022-23, Proposition EE increases each of these taxes and will generate

additional revenue for the state going forward. Starting in FY 2023-24, these funds will be transferred almost entirely into the Preschool Programs Cash Fund aside from a small transfer to the Tobacco Education Programs Fund.

Moreover, the FY22-24 insurance premium tax forecast has been revised upwards due to expectations of stronger premium growth. Reasons for this include an uptick in life insurance policies purchased, price increases in certain lines of property and casualty insurance, and improvement in the broader economy.

State Education Fund

Revenue to the State Education Fund from income taxes increased by 46.9 percent in FY 2020-21 but is expected to decrease 21.5 percent in FY 2021-22. The large increase in FY 2020-21 is largely due to the impact of a delayed transfer from FY 2019-20 revenue collections. Additionally, the size of the drop in FY 2021-22 is due in part to an overestimate in the size of that transfer for FY 2020-21, which will be corrected in FY 2021-22. In FY 2022-23, there is a 14.5 percent increase to \$854.3 million in FY 2022-23 and a 5.3 percent increase to \$900.0 million in FY 2023-24. This does not include transfers from other funds.



The Colorado Constitution requires that 1/3 of 1 percent of Colorado taxable income be credited to the State Education Fund. As the State Education Fund revenue is derived from taxable income, it generally follows the trends in individual income and corporate income tax revenue collections. However, the State Education Fund deviates from the steadily rising trend in income tax revenue, with the delayed transfers from revenue collections mentioned above driving the break in the relationship.

Revenue Outlook – Cash Funds

Cash funds are taxes, fees, fines, and interest collected by various State programs to fund services and operations. These revenue sources are designated by statute for a particular program and as such are distinct from General Fund revenue, which is available for general purpose expenditures. The following discussion highlights those cash fund revenues that are subject to TABOR or have significant fiscal implications.

Total cash fund revenue subject to TABOR was \$2.2 billion in FY 2020-21, a reduction of 2.0 percent from the prior fiscal year. In FY 2021-22, cash fund revenue is projected to increase by 10.4 percent followed by 6.3 percent growth in FY 2022-23 and 5.5 percent growth in FY 2023-24.

Transportation

Transportation-related cash fund revenue fell by 6.1 percent in FY 2019-20 and 3.5 percent in FY 2020-21. The forecast for FY 2021-22 has been revised downward slightly since June. Motor fuel tax revenue, which typically accounts for over half of all Highway Users Cash Fund revenue, came in lower than expected since the June forecast as commuting travel remains below pre-pandemic levels. Motor fuel taxes are still expected to pick up in FY 2021-22 based on increased tourism into the state and a return to offices, but the forecast has been revised down since June. Strong vehicle purchases helped bolster registration-related collections FY 2020-21, but declines in registration revenue are expected in FY 2021-22 and FY 2022-23 due to the impact of the recent Sustainability of the Transportation System bill, SB21-260. This bill reduces the road safety surcharge in 2022 and 2023, decreasing registration revenue by an estimated \$32.8 million in FY 2021-22. In FY 2022-23, the bill begins to affect revenue flows more broadly. It introduces a range of fees to fuel taxes and other categories which more than offset the reduction in the road safety surcharge, resulting in a \$28.3 million expected increase to the Highway Users Tax Fund on net and \$6.9 million in other funds subject to TABOR. In FY 2023-24, SB 21-260 is expected to increase HUTF revenue by \$97.3 million and other revenue subject to TABOR by \$7.8 million. Total transportation revenue is forecast to grow by 3.5 percent in FY 2021-22, 6.6 percent in FY 2022-23, and 7.6 percent in FY 2023-24.

Transportation Revenue	Preliminary FY 19-20	Preliminary FY 20-21	Forecast FY 21-22	Forecast FY 22-23	Forecast FY 23-24
Highway Users Tax Fund (HUTF)					
Motor and Special Fuel Taxes	\$624.5	\$593.7	\$628.0	\$701.4	\$741.5
Change	-4.6%	-4.9%	5.8%	11.7%	5.7%
Total Registrations	\$381.8	\$400.2	\$370.9	\$358.8	\$403.7
Change	-0.2%	4.8%	-7.3%	-3.3%	12.5%
Registrations	\$227.0	\$234.1	\$240.2	\$240.0	\$248.7
Road Safety Surcharge	\$134.0	\$137.8	\$105.7	\$92.9	\$127.7
Late Registration Fees	\$20.9	\$28.3	\$25.1	\$25.9	\$27.3
Other HUTF	\$62.9	\$48.1	\$62.1	\$75.0	\$77.8
Change	-11.50%	-23.5%	29.3%	20.7%	3.8%
Total HUTF	\$1,069.2	\$1,041.9	\$1,061.0	\$1,135.1	\$1,223.0
Change	-3.6%	-2.6%	1.8%	7.0%	7.7%
Non-HUTF					
State Highway Fund	\$27.5	\$18.4	\$22.2	\$23.2	\$25.2
Change	-30.9%	-33.2%	20.5%	4.5%	8.6%
Other Transportation Funds	\$101.4	\$95.5	\$112.6	\$116.9	\$124.3
Change	-20.4%	-5.8%	17.9%	3.8%	6.4%
Total Transportation Revenue	\$1,198.2	\$1,155.8	\$1,195.8	\$1,275.2	\$1,372.5
Change	-6.1%	-3.5%	3.5%	6.6%	7.6%

Transportation-related cash funds include the Highway Users Tax Fund (HUTF), the State Highway Fund (SHF), and a number of smaller cash funds. The primary revenue source for the largest portion of transportation cash funds is the HUTF, which consists mainly of motor fuel taxes and registration fees. The table below illustrates HUTF distributions based on the first and second stream allocation formulas with the current forecast for HUTF revenue. Off-the-top deductions for Colorado State Patrol and Division of Revenue reflect the FY 2021-22 appropriation and are assumed to remain at that level in future years.

HUTF Revenue Distributions	Preliminary FY 20-21	Forecast FY 21-22	Forecast FY 22-23	Forecast FY 23-24
Off-the-Top Deductions	\$134.8	\$181.2	\$181.2	\$181.2
State Highway Fund (CDOT)	\$561.2	\$544.5	\$590.7	\$644.9
Counties	\$213.1	\$206.9	\$224.5	\$245.1
Cities	\$132.8	\$128.5	\$138.7	\$151.8
Total HUTF Distribution	\$1,041.9	\$1,061.0	\$1,135.1	\$1,223.0

Limited Gaming

After a large decline in FY 2019-20, limited gaming revenue rebounded and grew by 48.2 percent to \$121.7 million in FY 2020-21 due to resiliency in gaming revenues over the winter and strong collections through spring and summer. This represents an upward revision of \$5.2 million over our June forecast. In addition, revenues have been significantly above expectations in June and July, which has raised expectations for revenue going forward. In particular, it is expected that gaming revenues will reach a new high of \$150.5 million in FY 2021-22.

Distribution of Limited Gaming Revenues	Actual FY 19-20	Preliminary FY 20-21	Forecast FY 21-22	Forecast FY 22-23	Forecast FY 23-24
A. Total Limited Gaming Revenues (Includes Fees and Interest)	\$82.1	\$121.7	\$150.5	\$152.8	\$154.6
Annual Percent Change	-35.4%	48.2%	23.6%	1.5%	1.2%
B. Gaming Revenue Exempt from TABOR (Extended Limited)	\$13.0	\$20.2	\$21.5	\$21.8	\$22.1
Annual Percent Change	-35.7%	55.7%	6.3%	1.5%	1.2%
C. Gaming Revenue Subject to TABOR	\$69.1	\$101.5	\$129.0	\$131.0	\$132.5
Annual Percent Change	-35.4%	46.8%	27.1%	1.5%	1.2%
D. Total Amount to Base Revenue Recipients	\$50.3	\$87.6	\$114.7	\$116.9	\$118.4
Amount to State Historical Society (28%)	\$14.1	\$24.5	\$32.1	\$32.7	\$33.2
Amount to Counties (12%)	\$6.0	\$10.5	\$13.8	\$14.0	\$14.2
Amount to Cities (10%)	\$5.0	\$8.8	\$11.5	\$11.7	\$11.8
Amount to Distribute to Remaining Programs (State Share) (50%)	\$25.2	\$43.8	\$57.4	\$58.4	\$59.2
Amount to Local Government Impact Fund	\$0.0	\$0.0	\$5.4	\$5.5	\$5.6
Colorado Tourism Promotion Fund	\$0.0	\$0.0	\$15.0	\$15.0	\$15.0
Creative Industries Cash Fund	\$0.0	\$0.0	\$2.0	\$2.0	\$2.0
Film, Television, and Media Operational Account	\$0.0	\$0.0	\$0.5	\$0.5	\$0.5
Advanced Industries Acceleration Fund	\$0.0	\$0.0	\$5.5	\$5.5	\$5.5
Innovative Higher Education Research Fund	\$0.0	\$0.0	\$2.1	\$2.1	\$2.1
Transfer to the General Fund	\$25.2	\$43.8	\$26.9	\$27.8	\$28.5
E. Total Amount to Amendment 50 Revenue Recipients	\$15.1	\$17.4	\$19.1	\$19.2	\$19.5
Community Colleges, Mesa and Adams State (78%)	\$11.8	\$13.6	\$14.9	\$15.0	\$15.2
Counties (12%)	\$1.8	\$2.1	\$2.3	\$2.3	\$2.3
Cities (10%)	\$1.5	\$1.7	\$1.9	\$1.9	\$2.0

These strong upward revisions to FY 2021-22 and onward are due to altered expectations related to Amendment 77 changes increasing maximum bets and expanding game options, which most Colorado casinos began to enact starting in May. We originally assumed that these changes would have a minor (\$2-\$5 million) positive effect on gaming revenue going forward, but in light of strong collections since these changes were put into place, we now anticipate that these changes may have a larger impact, in the range of \$15-\$20 million. We will continue to revisit these expectations for the effect of Amendment 77 and revise in future forecasts if needed.

Severance

Severance tax revenue fell to negative \$15.3 million in FY 2020-21, the lowest level since the tax was implemented in 1978, due to high ad valorem tax credit claims and significantly reduced market activity from the pandemic recession. Oil and gas production levels did not drop as much as feared, with the 151.8 million bbl of oil and 2.0 million MCF of gas produced in FY2020-21 still bettering FY2017-2018 numbers. This is partly because oil and gas prices rebounded to pre-pandemic levels by January 2021 and August 2020, respectively. However, oil and gas interest owners claimed \$118.5 million in severance tax refunds during FY2020-21, the second-highest amount since at least FY2004-05. This largely reflects high ad valorem credits stemming from 2018-2019 local property tax assessments.

Severance tax revenue is expected to moderately increase in Fiscal Year 2021-22 to \$106.1 million as market conditions improve – an upward revision of \$11.4 million (12 percent) from the June forecast. Colorado’s active rig count has more than doubled to 11 compared to this time last year, portending higher extraction, although this is still well below the 20+ average pre-pandemic.¹⁷ At the same time, major operators have been more hesitant to redeploy capital to the DJ Basin than in the past, even as prices increase, preferring the lower costs and higher returns in the Permian and other basins.¹⁸ In addition, state regulatory changes and a spike in Delta coronavirus cases provide downside risk to both supply and demand. The FY2022-23 severance tax projection has been revised slightly upwards (6 percent) from the June forecast to \$140.2 million, with similar assumptions resulting in an expected \$148.7 million in FY2023-24.

Marijuana

Marijuana taxes grew 32.4 percent overall in FY 2019-20 and grew an additional 22.5 percent in FY 2020-21 as a result of a spike in sales during the height of the pandemic. Strong marijuana sales have continued throughout the summer, though notably sales have finally slowed from the sharp growth trajectory they exhibited over the course of FY 2020-21. In particular, revenue from the 15 percent special sales tax on medical marijuana (the largest source of marijuana revenue for the state) came in \$7.8 million lower than anticipated in July and August. For context, these revenues were on average 7.9 percent below the same months in 2020. In addition, revenue from the 15 percent excise tax on retail marijuana came in \$2.4 million lower than anticipated in May through July.

¹⁷ Baker Hughes North American Rotary Rig Count

¹⁸ <https://www.worldoil.com/news/2021/6/2/dj-basin-production-could-increase-with-greater-capital-allocation-among-operators>

Tax Revenue from the Marijuana Industry	Actual FY 19-20	Preliminary FY 20-21	Forecast FY 21-22	Forecast FY 22-23	Forecast FY 23-24
Proposition AA Taxes					
Retail Marijuana 15% Special Sales Tax	\$245.5	\$290.2	\$271.8	\$285.4	\$296.8
Retail Marijuana 15% Excise Tax	\$88.5	\$120.3	\$113.1	\$116.3	\$118.6
Total Proposition AA Taxes	\$334.0	\$410.6	\$384.9	\$401.7	\$415.4
2.9% Sales Tax & Interest (Subject to TABOR)					
Medical Marijuana 2.9% State Sales Tax	\$11.7	\$13.0	\$11.3	\$11.1	\$10.8
Retail Marijuana 2.9% State Sales Tax	\$1.3	\$1.6	\$1.4	\$1.4	\$1.4
Interest Earnings	\$0.3	\$0.3	\$0.4	\$0.4	\$0.0
Total 2.9% Sales Taxes & Interest	\$13.3	\$14.9	\$13.1	\$12.9	\$12.2
Total Marijuana Taxes	\$347.3	\$425.5	\$398.0	\$414.6	\$427.7

Fiscal Year	Local Share	General Fund	BEST School Capital Construction	Public School Permanent Fund	Public School Fund	Marijuana Tax Cash Fund
FY 2019-20 Actual	\$24.5	\$34.4	\$88.5	\$0.0	\$27.8	\$172.1
FY 2020-21 Preliminary	\$29.0	\$40.6	\$40.0	\$0.0	\$113.2	\$202.6
FY 2021-22 Projected	\$27.2	\$38.1	\$113.1	\$0.0	\$30.8	\$188.8
FY 2022-23 Projected	\$28.5	\$40.0	\$116.3	\$0.0	\$32.3	\$197.4
FY 2023-24 Projected	\$29.7	\$41.6	\$118.6	\$0.0	\$33.6	\$204.2

There is not sufficient data to make any firm conclusions about the reasons for the change in consumption. However, one preliminary hypothesis is that marijuana consumption at home has declined and while it seems that marijuana consumption outside the home has increased (e.g. consumption by both Colorado residents and non-residents while on vacation in mountain communities), it has not increased sufficiently to account for the drop in at-home consumption. Data on retail marijuana sales by county in Colorado lend support to this hypothesis, as retail marijuana sales in Denver have declined as a percentage of total state sales while sales in mountain and vacation communities such as Summit, Eagle, and Lake counties have increased as a percentage of total sales.

Further, these new months of data do not negate the fact that both the consumer base and transaction size of marijuana have increased over the course of the pandemic. Thus, while the growth rates have slowed, it is still expected that FY 2021-22 through FY 2023-24 revenues will exceed pre-pandemic levels significantly. In addition, the current level of demand likely continues to pressure supply, as the average market rate for flower remains elevated at \$1,309/lb, up \$1/lb since last forecast.

Federal Mineral Lease

Federal Mineral Lease (FML) revenue increased by 30.8 percent to \$82.0 million in FY 2019-20. This was largely due to increased gas and oil production (particularly on the Western Slope), gas prices recovering to pre-pandemic levels by August 2020, and strong price growth since then. At the same time, Colorado's rig count is well below pre-pandemic levels¹⁹ and high prices should lead to reduced natural gas consumption in the electric power sector this winter,²⁰ moderately dampening price levels. Still, July and August FML receipts have come in stronger than anticipated. FML revenue in Colorado is expected to grow by 14.6 percent in FY 2021-22, which has been revised upwards since the June forecast by \$18.8 million (25 percent).

Expectations for a recovery of global gas demand in the industrial and other sectors have led to a positive outlook for FY 2022-23 and FY 2023-24, especially as the federal government resumes selling oil and gas leases on federal land. Royalties collected in FY 2021-22 and FY 2022-23 are forecast to increase by 2.6 percent and 3.0 percent in those years, respectively. While FML revenue is exempt from TABOR, it is included here because a portion of the money is distributed to the Public School Fund.

FML Forecast Distribution Table	Preliminary FY 2020-21	Forecast FY 2021-22	Forecast FY 2022-23	Forecast FY 2023-24
Total FML Revenue	\$82.0	\$94.0	\$96.4	\$99.3
Change	30.8%	14.6%	2.6%	3.0%
Bonus Payments (portion of total FML revenue)				
	1.6	1.9	1.9	2.0
Local Government Perm Fund	0.8	0.9	1.0	1.0
Higher Ed FML Revenues Fund	0.8	0.9	1.0	1.0
Other (non-bonus) FML Revenue				
	80.4	92.1	94.5	97.3
State Public School Fund	38.8	44.5	45.6	47.0
Colorado Water Conservation Board	8.0	9.2	9.4	9.7
DOLA Grants	16.1	18.4	18.9	19.5
DOLA Direct Distribution	16.1	18.4	18.9	19.5
School Districts	1.4	1.6	1.6	1.7
Total Higher Ed Maintenance Reserve Fund	0.8	0.9	1.0	1.0

Other Cash Funds

The State receives revenue from a variety of other cash funds as well. This includes cash fund revenue to the Department of Regulatory Agencies (DORA), which is forecasted to be \$90.1 million in FY 2021-22. This estimate was revised downward from the June forecast because collections in FY 2020-21 came in lower than expected at the end of the fiscal year. Insurance-

¹⁹ Baker Hughes North American Rotary Rig Count

²⁰ U.S. Energy Information Administration, Short-Term Energy Outlook, September 2021

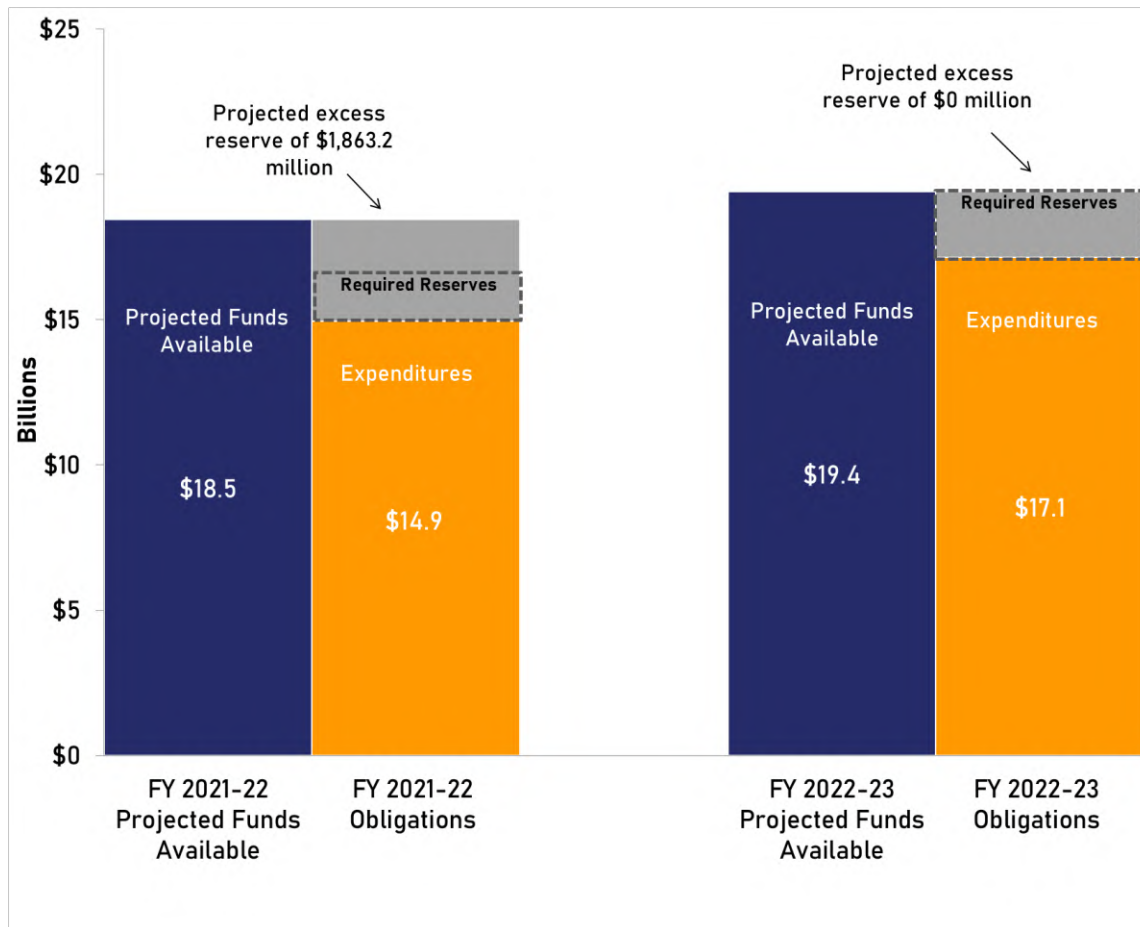
related cash fund revenue is obtained largely from a surcharge on workers' compensation insurance and has been adjusted upward slightly to \$21.8 million in FY 2021-22.

Finally, the "Other Miscellaneous Cash Funds" category includes revenue from over 300 cash fund programs that collect revenue from fines, fees, and interest earnings. This broad category is less sensitive to general economic conditions than revenue sources like income and severance taxes. Receipts in FY 2020-21 were \$854.2 million, which is \$21.4 million (2.4 percent) lower than forecasted in June 2021. Miscellaneous cash funds are expected to increase by 4.3 percent to \$891.0 million in FY 2021-22. Growth rates in subsequent years are forecasted to moderate slightly to 4.0 percent growth in FY 2022-23 and 3.4 percent in FY 2023-24.

Budget Outlook

General Fund

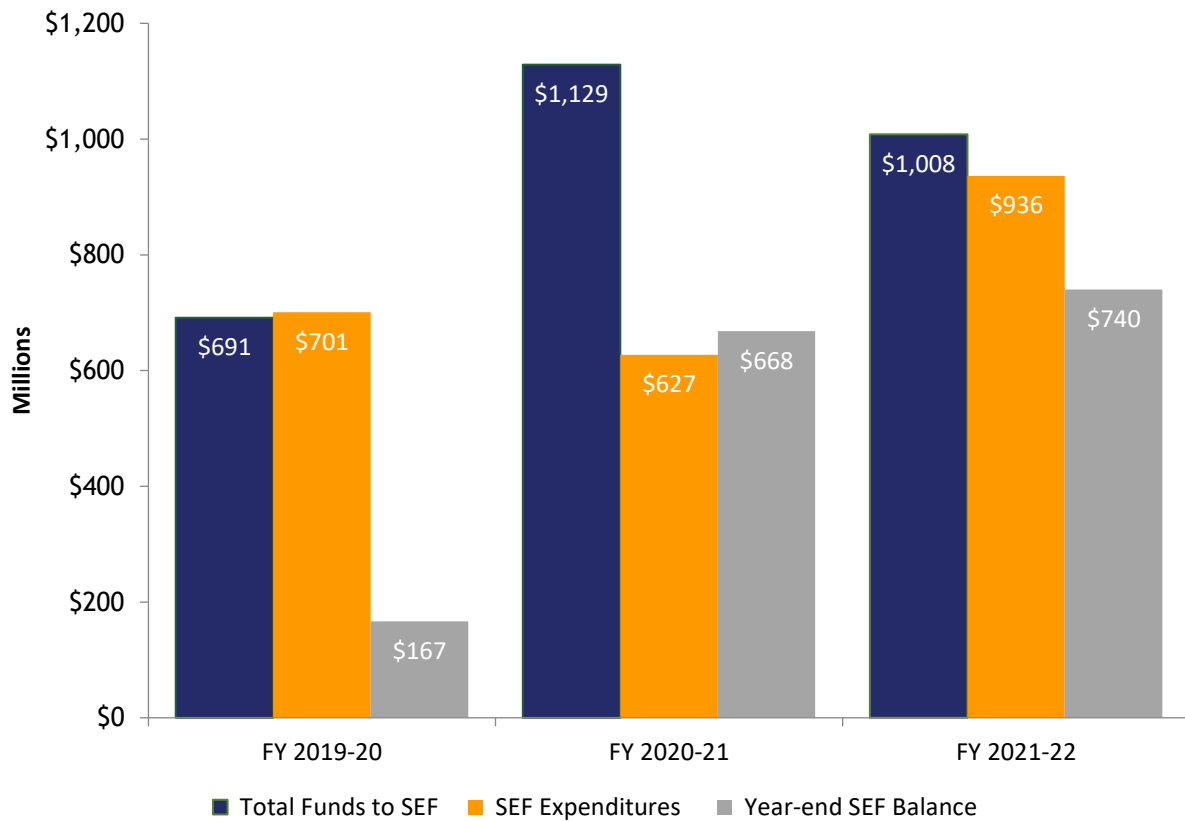
General Fund revenue increased 10.7 percent in FY 2020-21 and is projected to increase 7.3 percent in FY 2021-22 before growing 3.9 percent in FY 2022-23 and 4.7 percent in FY 2023-24. General Fund revenue for FY 2021-22 is \$260.6 million, or 1.7 percent higher than was estimated in June, as State revenue collections continue to exceed expectations. The forecast for FY 2022-23 is \$221.4 million, or 1.4 percent higher than estimated in June.



The General Fund ending balance was significantly above the required statutory reserve amount of 2.86 percent of appropriations in FY 2020-21. Under this forecast, the General Fund ending balance is projected to be \$1,863.2 million above the statutory reserve level of 13.4 percent of appropriations in FY 2021-22. The chart above summarizes total projected General Fund revenue available, total obligations, and reserve levels for FY 2020-21 and FY 2021-22 under current law.

State Education Fund

The State Education Fund's year-end balance was \$668 million in FY 2020-21 and is projected to increase to \$740 million in FY 2021-22. This is an \$88 million upward revision in FY 2020-21 and a \$15 million upward revision in FY 2021-22 compared to the June 2021 forecast, due in part to higher than expected income tax revenue collected in FY 2020-21, a portion of which is diverted to the State Education Fund. The figure below summarizes total State Education Fund revenue, expenditures, and ending balances for FY 2020-21 and FY 2021-22.



Forecast Risks

This budget outlook is based on OSPB's economic forecast as detailed in Tables 1 and 2 of the Reference Tables at the end of this document. This economic forecast is subject to both upside and downside risks.

On the upside, consumer spending continues to drive the economy as households utilize excess savings. Additionally, financial conditions are supportive of a strong economic recovery. However, on the downside, supply chain disruptions continue to weigh down economic growth.

and the job market recovery in 2021 thus far is an additional drag on the economy. Although economic conditions could be more negative than described in this forecast, the risks to the budget outlook are balanced.

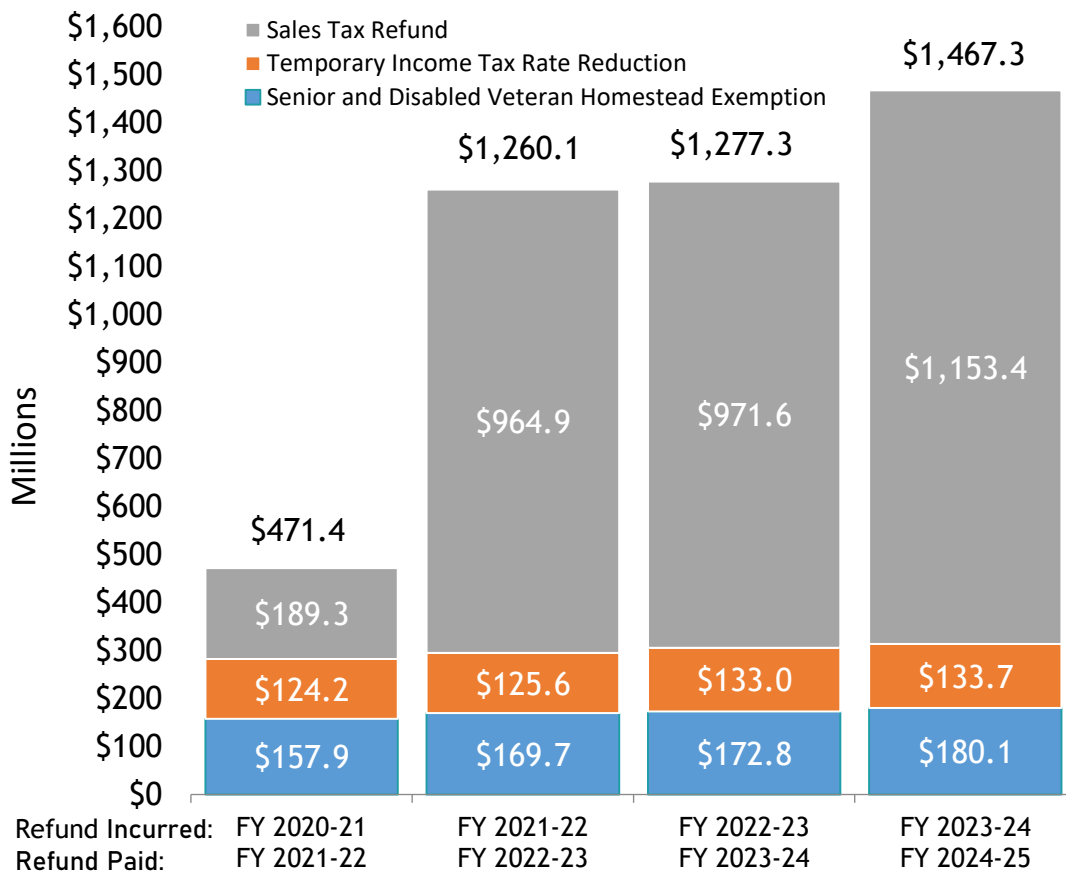
Supplemental Materials

An overview of General Fund and State Education Fund revenue, expenditures, and end-of-year reserves is provided in the Reference Tables at the end of this document. A more detailed discussion of the information presented in the Reference Tables can be found at the Office of State Planning and Budgeting's website: www.colorado.gov/governor/economics

TABOR Outlook

Under Article X, Section 20 of the State Constitution, the Taxpayer's Bill of Rights (TABOR), revenue received from certain sources is subject to an annual limit determined by the prior year's limit after adjustments for inflation and population growth. Any TABOR revenue received above the cap is to be refunded to taxpayers in the subsequent fiscal year. Current projections show that TABOR revenue will be \$453.6 million above the Referendum C cap in FY 2020-21, \$1,260.1 million above the cap in FY 2021-22, \$1,277.3 million above the cap in FY 2022-23, and \$1,467.3 million above the cap in FY 2023-24.

Current law specifies three mechanisms by which revenue in excess of the cap is to be refunded to taxpayers: the senior homestead and disabled veterans property tax exemptions, a temporary income tax rate reduction (to 4.50 percent), and a sales tax refund. The size of the refund determines which refund mechanisms are utilized.



The \$453.6 million refund obligation in FY 2020-21 is increased by \$17.8 million to account for under-refunding of the FY 2018-19 TABOR surplus. An estimated \$124.2 million of this \$471.4 million refund obligation will be paid out as an income tax rate reduction, while \$157.9 million will be refunded via the senior homestead and disabled veterans property tax exemption expenditures and \$189.3 million via a sales tax refund in FY 2021-22. Any difference between estimated refunds and actual refunds will be corrected in the next fiscal year in which a refund is owed, which in this forecast is FY 2021-22.

Reference Tables

Table 1: Colorado Economic Variables – History and Forecast

Line No.		Actual						September 2021 Forecast		
		2015	2016	2017	2018	2019	2020	2021	2022	2023
	Income									
1	Personal Income (Billions) /A	\$284.8	\$290.7	\$312.0	\$335.2	\$352.2	\$369.5	\$392.7	\$403.7	\$423.5
2	Change	5.0%	2.1%	7.4%	7.4%	5.1%	4.9%	6.3%	2.8%	4.9%
3	Wage and Salary Income (Billions) /A	\$146.6	\$151.1	\$160.8	\$170.3	\$182.1	\$185.0	\$196.2	\$206.4	\$216.3
4	Change	5.8%	3.1%	6.5%	5.9%	6.9%	1.6%	6.1%	5.2%	4.8%
5	Per-Capita Income (\$/person) /A	\$52,372.0	\$52,624.0	\$55,783.0	\$59,097.0	\$61,400.0	\$63,904.0	\$67,389.6	\$68,546.0	\$71,038.7
6	Change	3.3%	0.5%	6.0%	5.9%	3.9%	4.1%	5.5%	1.7%	3.6%
	Population & Employment									
7	Population (Thousands)	5,438.4	5,523.5	5,593.9	5,671.9	5,735.9	5,782.0	5,827.5	5,889.6	5,961.4
8	Change	1.7%	1.6%	1.3%	1.4%	1.1%	0.8%	0.8%	1.1%	1.2%
9	Net Migration (Thousands)	68.5	55.4	42.8	52.5	40.1	25.5	30.0	40.0	50.0
10	Unemployment Rate	3.8%	3.1%	2.6%	3.0%	2.7%	7.3%	5.9%	4.4%	3.8%
11	Total Nonagricultural Employment (Thousands)	2,541.0	2,601.7	2,660.3	2,727.3	2,790.1	2,644.6	2,719.2	2,812.5	2,871.1
12	Change	3.1%	2.4%	2.3%	2.5%	2.3%	-5.2%	2.8%	3.4%	2.1%
	Construction Variables									
13	Total Housing Permits Issued (Thousands)	31.9	39.0	40.7	42.6	38.6	40.5	47.1	49.9	51.2
14	Change	11.0%	22.3%	4.4%	4.8%	-9.4%	4.8%	16.5%	5.9%	2.7%
15	Nonresidential Construction Value (Millions) /B	\$4,990.8	\$5,987.8	\$6,154.9	\$8,146.4	\$5,101.3	\$5,482.4	\$5,333.0	\$5,511.7	\$5,635.7
16	Change	14.7%	20.0%	2.8%	32.4%	-37.4%	7.5%	-2.7%	3.4%	2.3%
	Prices									
17	Retail Trade (Billions)	\$182.8	\$184.7	\$194.6	\$206.1	\$224.6	\$228.8	\$259.2	\$270.9	\$279.9
18	Change	0.1%	1.0%	5.4%	5.9%	9.0%	1.9%	13.3%	4.5%	3.3%
19	Denver-Aurora-Lakewood Consumer Price Index (1982-	240.0	246.6	255.0	262.0	267.0	272.2	282.3	290.7	298.6
20	Change	1.2%	2.8%	3.4%	2.7%	1.9%	2.0%	3.7%	3.0%	2.7%

/A Personal Income as reported by the U.S. Bureau of Economic Analysis includes: wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory and capital consumption adjustments, rental income of persons with capital consumption adjustments, personal dividend income, personal interest income, and personal current transfer receipts, less contributions from government social insurance.

/B Nonresidential Construction Value is reported by Dodge Analytics (McGraw-Hill Construction) and includes new construction, additions, and major remodeling projects predominately at commercial and manufacturing facilities, educational institutions, and medical and government buildings. Nonresidential does not include non-building projects (such as streets, highways, bridges and utilities).

/C In 2018, the geography and data frequency of this series were revised. 2017 and prior years represent Denver-Boulder-Greeley regional prices.

Table 2: National Economic Variables – History and Forecast

Line No.		Actual						September 2021 Forecast		
		2015	2016	2017	2018	2019	2020	2021	2022	2023
	Inflation-Adjusted & Current Dollar Income Accounts									
1	Inflation-Adjusted Gross Domestic Product (Billions) /A	\$17,390.3	\$17,680.3	\$18,079.1	\$18,606.8	\$19,032.7	\$18,384.7	\$19,469.4	\$20,345.5	\$20,793.1
2	Change	2.8%	1.7%	2.3%	2.9%	2.3%	-3.4%	5.9%	4.5%	2.2%
3	Personal Income (Billions) /B	\$15,685.2	\$16,096.9	\$16,850.2	\$17,706.0	\$18,424.4	\$19,627.6	\$20,821.6	\$21,196.4	\$22,107.8
4	Change	4.6%	2.6%	4.7%	5.1%	4.1%	6.5%	6.1%	1.8%	4.3%
5	Per-Capita Income (\$/person)	\$48,903	\$49,825	\$51,827	\$54,174	\$56,115	\$59,571	\$62,965	\$63,741	\$66,106
6	Change	3.8%	1.9%	4.0%	4.5%	3.6%	6.2%	5.7%	1.2%	3.7%
7	Wage and Salary Income (Billions) /B	\$7,859.5	\$8,091.2	\$8,474.7	\$8,900.5	\$9,323.5	\$9,444.1	\$10,010.8	\$10,481.3	\$10,914.5
8	Change	5.1%	2.9%	4.7%	5.0%	4.8%	1.3%	6.0%	4.7%	4.1%
	Population & Employment									
9	Population (Millions)	320.7	323.1	325.1	326.8	328.3	329.5	330.7	332.5	334.4
10	Change	0.8%	0.7%	0.6%	0.5%	0.5%	0.4%	0.4%	0.6%	0.6%
11	Unemployment Rate	5.3%	4.9%	4.4%	3.9%	3.7%	8.1%	5.5%	4.3%	3.9%
12	Total Nonagricultural Employment (Millions)	141.8	144.3	146.6	148.9	150.9	142.2	146.3	150.9	153.2
13	Change	2.1%	1.8%	1.6%	1.6%	1.3%	-5.8%	2.9%	3.2%	1.5%
	Other Key Indicators									
14	Consumer Price Index (1982-84=100)	237.0	240.0	245.1	251.1	255.7	258.8	270.2	277.4	283.5
15	Change	0.1%	1.3%	2.1%	2.4%	1.8%	1.2%	4.4%	2.7%	2.2%
16	Pre-Tax Corporate Profits (Billions)	\$2,060.5	\$2,037.7	\$2,128.9	\$2,305.0	\$2,367.8	\$2,243.8	\$2,587.1	\$2,686.7	\$2,804.9
17	Change	-2.8%	-1.1%	4.5%	8.3%	2.7%	-5.2%	15.3%	3.9%	4.4%
18	Housing Permits (Millions)	1.183	1.207	1.282	1.329	1.386	1.471	1.756	1.850	1.890
19	Change	12.4%	2.0%	6.3%	3.6%	4.3%	6.1%	19.3%	5.4%	2.2%
20	Retail Trade (Billions)	\$5,352.2	\$5,506.1	\$5,732.9	\$5,985.1	\$6,184.6	\$6,215.1	\$7,224.5	\$7,537.6	\$7,726.0
21	Change	2.6%	2.9%	4.1%	4.4%	3.3%	0.5%	16.2%	4.3%	2.5%

/A U.S. Bureau of Economic Analysis, National Income and Product Accounts. Inflation-adjusted, in 2009 dollars.

/B Personal Income as reported by the U.S. Bureau of Economic Analysis includes: wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory and capital consumption adjustments, rental income of persons with capital consumption adjustments, personal dividend income, personal interest income, and personal current transfer receipts, less contributions from government social insurance.

Table 3: General Fund Revenue Estimates by Tax Category /A

Line No.	Category	Preliminary		September 2021 Estimate by Fiscal Year					
		FY 2020-21	% Chg	FY 2021-22	% Chg	FY 2022-23	% Chg	FY 2023-24	% Chg
	Excise Taxes:								
1	Sales	\$3,419.5	7.0%	\$3,745.5	9.5%	\$3,939.6	5.2%	\$4,077.3	3.5%
2	Use	\$214.2	1.8%	\$227.9	6.4%	\$235.0	3.1%	\$240.3	2.2%
3	Retail Marijuana Sales - Special Sales Tax	\$288.2	17.4%	\$271.8	-5.7%	\$285.4	5.0%	\$296.8	4.0%
4	Cigarette	\$30.1	-7.5%	\$28.5	-5.3%	\$27.6	-3.0%	\$26.8	-3.0%
5	Tobacco Products	\$29.0	19.1%	\$25.6	-11.7%	\$26.9	4.7%	\$26.5	-1.2%
6	Liquor	\$53.4	6.6%	\$55.2	3.4%	\$56.8	3.0%	\$58.3	2.7%
7	Proposition EE/Nicotine	\$49.0	N/A	\$200.8	309.6%	\$197.4	-1.7%	\$200.8	1.8%
8	Total Excise	\$4,083.5	8.6%	\$4,555.3	11.6%	\$4,768.7	4.7%	\$4,927.0	3.3%
	Income Taxes:								
9	Net Individual Income	\$9,482.7	9.7%	\$10,021.8	5.7%	\$10,449.9	4.3%	\$11,005.1	5.3%
10	Net Corporate Income	\$1,183.7	62.5%	\$931.6	-21.3%	\$941.3	1.0%	\$994.5	5.7%
11	Total Income	\$10,666.3	13.8%	\$10,953.5	2.7%	\$11,391.2	4.0%	\$11,999.7	5.3%
12	Less: State Education Fund Diversion	\$950.2	46.9%	\$745.9	-21.5%	\$854.3	14.5%	\$900.0	5.3%
13	Total Income to General Fund	\$9,716.2	11.3%	\$10,207.5	5.1%	\$10,536.9	3.2%	\$11,099.7	5.3%
	Other Revenue:								
14	Insurance	\$336.3	-0.3%	\$438.5	30.4%	\$495.4	13.0%	\$520.2	5.0%
15	Interest Income	\$50.0	60.9%	\$42.4	-15.3%	\$34.0	-19.8%	\$36.8	8.2%
16	Pari-Mutuel	\$0.3	-21.2%	\$0.5	66.2%	\$0.5	-2.0%	\$0.5	-2.0%
17	Court Receipts	\$3.5	-9.8%	\$3.8	8.7%	\$3.7	-2.6%	\$3.7	0.0%
18	Other Income	\$50.6	422.4%	\$28.7	-43.4%	\$33.0	15.0%	\$35.7	8.2%
19	Total Other	\$440.8	15.2%	\$513.8	16.6%	\$566.6	10.3%	\$596.9	5.3%
20	GROSS GENERAL FUND	\$14,240.4	10.7%	\$15,276.7	7.3%	\$15,872.1	3.9%	\$16,623.5	4.7%

/A Dollars in millions.

Table 4: General Fund Overview /A

Line No.		Preliminary FY 2020-21	September 2021 Estimate by Fiscal Year		
			FY 2021-22	FY 2022-23	FY 2023-24
Revenue					
1	Beginning Reserve	\$1,825.2	\$3,150.2	\$3,508.9	\$2,263.0
2	Gross General Fund Revenue	\$14,240.4	\$15,276.7	\$15,872.1	\$16,623.5
3	Transfers to the General Fund	\$335.3	\$30.0	\$28.6	\$30.8
4	TOTAL GENERAL FUND AVAILABLE	\$16,400.8	\$18,456.8	\$19,409.7	\$18,917.3
Expenditures					
5	Appropriation Subject to Limit	\$10,978.9	\$12,281.9	\$15,086.9	\$14,586.3
6	Dollar Change (from prior year)	-\$826.2	\$1,303.0	\$2,805.0	-\$500.7
7	Percent Change (from prior year)	-7.0%	11.9%	22.8%	-3.3%
8	Spending Outside Limit	\$2,271.7	\$2,666.0	\$2,059.7	\$2,143.1
9	TABOR Refund under Art. X, Section 20, (7) (d)	\$471.4	\$1,260.1	\$1,277.3	\$1,467.3
10	Homestead Exemption (Net of TABOR Refund)	\$157.9	\$0.0	\$0.0	\$0.0
11	Other Rebates and Expenditures	\$137.9	\$140.5	\$142.1	\$143.4
12	Transfers for Capital Construction	\$43.0	\$348.9	\$50.0	\$50.0
13	Transfers for Transportation	\$30.0	\$294.0	\$115.0	\$0.0
14	Transfers to State Education Fund	\$113.0	\$123.0	\$0.0	\$0.0
15	Transfers to Other Funds	\$1,318.5	\$499.4	\$475.3	\$482.4
16	TOTAL GENERAL FUND OBLIGATIONS	\$13,250.7	\$14,947.9	\$17,146.6	\$16,729.4
17	Percent Change (from prior year)	4.2%	12.8%	14.7%	-2.4%
18	Reversions and Accounting Adjustments	\$0.0	\$0.0	\$0.0	\$0.0
Reserves					
19	Year-End General Fund Balance	\$3,150.2	\$3,508.9	\$2,263.0	\$2,187.9
20	Year-End General Fund as a % of Appropriations	28.7%	28.6%	15.0%	15.0%
21	General Fund Statutory Reserve	\$314.0	\$1,645.8	\$2,263.0	\$2,187.9
22	Above/Below Statutory Reserve	\$2,836.2	\$1,863.2	\$0.0	\$0.0

/A. FY 2020-21 and FY 2021-22 expenditures reflect all legislation that has passed through both the Colorado House and Senate as of June 18, 2021. FY 2022-23 appropriations will be adopted in future budget legislation. Therefore, FY 2022-23 expenditures and fund balance projections shown are illustrative only. Dollars in millions.

Table 5: General Fund and State Education Fund Overview /A

Line No.		Preliminary FY 2020-21	September 2021 Estimate by Fiscal Year		
			FY 2021-22	FY 2022-23	FY 2023-24
Revenue					
1	Beginning Reserves	\$1,991.8	\$3,818.3	\$4,249.2	\$2,774.0
2	State Education Fund	\$166.7	\$668.1	\$740.3	\$511.0
3	General Fund	\$1,825.2	\$3,150.2	\$3,508.9	\$2,263.0
4	Gross State Education Fund Revenue	\$1,128.6	\$1,008.3	\$985.2	\$1,030.8
5	Gross General Fund Revenue /B	\$14,575.7	\$15,306.7	\$15,900.7	\$16,654.3
6	TOTAL FUNDS AVAILABLE FOR EXPENDITURE	\$17,696.1	\$20,133.2	\$21,135.1	\$20,459.1
Expenditures					
7	General Fund Expenditures /C	\$13,250.7	\$14,947.9	\$17,146.6	\$16,729.4
8	State Education Fund Expenditures	\$627.2	\$936.1	\$1,214.5	\$1,530.5
9	TOTAL OBLIGATIONS	\$13,877.8	\$15,884.0	\$18,361.1	\$18,259.9
10	Percent Change (from prior year)	3.5%	14.5%	15.6%	-0.6%
11	Reversions and Accounting Adjustments	\$0.0	\$0.0	\$0.0	\$0.0
Reserves					
12	Year-End Balance	\$3,818.3	\$4,249.2	\$2,774.0	\$2,199.2
13	State Education Fund	\$668.1	\$740.3	\$511.0	\$11.3
14	General Fund	\$3,150.2	\$3,508.9	\$2,263.0	\$2,187.9
15	General Fund Above/Below Statutory Reserve	\$2,836.2	\$3,726.3	\$0.0	\$0.0

/A FY 2020-21 and FY 2021-22 expenditures reflect all legislation that has passed through both the Colorado House and Senate as of June 18, 2021. FY 2022-23 appropriations will be adopted in future budget legislation. Therefore, FY 2022-23 expenditures and fund balance projections shown are illustrative only. Dollars in millions.

/B These amounts include the following transfers: \$115.8 million in FY 2020-21, \$248.1 million in FY 2021-22, and \$124.0 million in FY 2022-23.

/C This amount includes transfers to the General Fund.

/D General Fund expenditures include appropriations subject to the limit of 5.0 percent of Colorado personal income as well as all spending outside the limit.

Table 6: Cash Fund Revenue Subject to TABOR /A

Line No.	Category	Preliminary FY 2020-21	September 2021 Estimate by Fiscal Year		
			FY 2021-22	FY 2022-23	FY 2023-24
1	Transportation-Related /A	\$1,155.8	\$1,195.8	\$1,275.2	\$1,372.5
2	Change	-3.5%	3.5%	6.6%	7.6%
3	Limited Gaming Fund /B	\$101.5	\$129.0	\$131.0	\$132.5
4	Change	46.8%	27.1%	1.5%	1.2%
5	Capital Construction - Interest	\$2.8	\$3.7	\$4.2	\$4.2
6	Change	-55.5%	30.0%	15.0%	0.0%
7	Regulatory Agencies	\$89.1	\$90.1	\$92.8	\$95.8
8	Change	9.9%	1.1%	3.0%	3.3%
9	Insurance-Related	\$20.3	\$21.8	\$21.0	\$21.2
10	Change	-18.6%	7.4%	-3.7%	1.0%
11	Severance Tax	(\$15.3)	\$106.1	\$140.2	\$148.7
12	Change	-110.3%	-794.1%	32.2%	6.0%
13	Other Miscellaneous Cash Funds	\$854.2	\$891.0	\$926.7	\$957.8
14	Change	17.8%	4.3%	4.0%	3.4%
15	TOTAL CASH FUND REVENUE	\$2,208.6	\$2,437.5	\$2,591.1	\$2,732.7
16	Change	-2.0%	10.4%	6.3%	5.5%

/A Includes revenue from Senate Bill 09-108 (FASTER) which began in FY 2009-10. Roughly 40 percent of FASTER-related revenue is directed to State Enterprises. Revenue to State Enterprises is exempt from TABOR and is thus not included in the figures reflected by this table. Dollars in millions. Additionally, includes the impact of SB 21-260 which dedicates funding and creates new state enterprises to enable the planning, funding, development, construction, maintenance, and supervision of a sustainable transportation system.

/B Excludes tax revenue from extended gaming as allowed by Amendment 50 to the Colorado Constitution as this revenue is exempt from TABOR. The portion of limited gaming revenue that is exempt is projected based on the formula outlined in House Bill 09-1272.

Table 7: TABOR and the Referendum C Revenue Limit/A

Line No.		Preliminary FY 2020-21	September 2021 Estimate by Fiscal Year		
			FY 2021-22	FY 2022-23	FY 2023-24
	TABOR Revenues:				
1	General Fund /A Percent Change from Prior Year	\$13,860.2 9.7%	\$14,811.1 6.9%	\$15,394.2 3.9%	\$16,127.6 4.8%
2	Cash Funds /A Percent Change from Prior Year	\$2,237.7 -0.3%	\$2,437.5 8.9%	\$2,591.1 6.3%	\$2,732.7 5.5%
3	Total TABOR Revenues Percent Change from Prior Year	\$16,097.9 8.2%	\$17,248.6 7.1%	\$17,985.3 4.3%	\$18,860.3 4.9%
	Revenue Limit Calculation:				
4	Previous calendar year population growth	1.2%	0.3%	0.8%	1.1%
5	Previous calendar year inflation	1.9%	2.0%	3.7%	3.0%
6	Allowable TABOR Growth Rate	3.1%	2.2%	4.5%	4.1%
7	TABOR Limit /B	\$12,628.1	\$12,905.9	\$13,486.7	\$14,039.6
8	General Fund Exempt Revenue Under Ref. C /C	\$3,016.3	\$3,082.6	\$3,221.3	\$3,353.4
9	Revenue Cap Under Ref. C /B /D	\$15,644.3	\$15,988.5	\$16,708.0	\$17,393.0
10	Amount Above/Below Cap	\$453.6	\$1,260.1	\$1,277.3	\$1,467.3
11	Revenue to be Refunded including Adjustments from Prior Years /E	\$471.4	\$1,260.1	\$1,277.3	\$1,467.3
12	TABOR State Emergency Reserve Requirement	\$469.3	\$479.7	\$501.2	\$521.8

/A Amounts differ from the revenue totals reported in Table 3 and Table 6 due to accounting adjustments, and because some General Fund revenue is exempt from TABOR. Dollars in millions.

/B The TABOR limit and Referendum C cap are adjusted to account for changes in the enterprise status of various state entities.

/C Under Referendum C, a "General Fund Exempt Account" is created in the General Fund. The account consists of money collected in excess of the TABOR limit in accordance with Referendum C.

/D The revenue limit is calculated by applying the "Allowable TABOR Growth Rate" to either "Total TABOR Revenue" or the "Revenue Cap under Ref. C," whichever is smaller. Beginning in FY 2010-11, the revenue limit is based on the highest revenue total from FY 2005-06 to 2009-10 plus the "Allowable TABOR Growth Rate." FY 2007-08 was the highest revenue year during the Referendum C timeout period. SB 17-267 reduced the Referendum C cap by \$200 million in FY 2017-18. SB 21-260 raises the Referendum C cap back to its pre-SB 17-267 levels, adjusted for inflation and population growth since the passage of SB 17-267. The new cap, in line with the original Referendum C cap, then grows by inflation and population growth in subsequent years.

/E These adjustments are the result of: (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) the refund to taxpayers in previous years was different than the actual amount required. Such adjustments are held by the State until a future year in which a TABOR refund occurs when they adjust the total refund amount distributed to taxpayers.

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APPENDIX G

PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND

Introduction

The Act creates the Public School Capital Construction Assistance Board and the Public School Capital Construction Assistance Fund (the “Assistance Fund”). In accordance with the Act, the Assistance Fund is funded from revenues received by the State from (i) a portion of rental income and royalties derived from State public school lands, (ii) a portion of State lottery proceeds, (iii) amounts paid by Participating K-12 Institutions for which capital projects are financed through the Program, (iv) excise tax revenue from marijuana sales and (v) State appropriations described in the following paragraph.

Under the Act, the State Treasurer may enter into lease purchase agreements (the “Leases”) for which the State may decide annually to appropriate rent from the Assistance Fund. The General Assembly is also authorized to appropriate or transfer moneys to the Assistance Fund from any legally available source, including the State General Fund, if the amount in the Assistance Fund is insufficient to pay the full amount of the payments due to be made under the Leases. See “APPENDIX E—THE STATE GENERAL FUND.”

The decision of the State to appropriate funds to pay its obligations under the Leases or make up any shortfall in the Assistance Fund may be impacted by the amount and stability of revenues allocated to the Assistance Fund under the Act. Amounts deposited in the Assistance Fund are also available for other purposes permitted by the Act, including, without limitation, defraying the cost of Projects. As of June 30, 2021, approximately \$274.3 million was on deposit in the Assistance Fund. In 2013, the Act was amended to require that the Assistance Board ensure that effective June 30, 2013, and each June 30 thereafter, the balance of the Assistance Fund, not including the amounts credited to the charter school facilities assistance account within the Assistance Fund, is at least equal to the total amount of payments to be made by the State during the next Fiscal Year under the terms of any lease purchase agreement entered into pursuant to the Act less the amount of any Matching Moneys (as described below under “Matching Moneys”) and federal moneys (such as the Federal Direct Payments) to be received for the purpose of making the payments. The revenue sources for the Assistance Fund are further described below.

Rental Income and Royalties

The Territory of Colorado was established in 1861 pursuant to an enabling act (the “Enabling Act”). In the Enabling Act, the federal government declared that certain land previously owned by the federal government was to be granted in trust to the State for the support of the State’s public schools (the “Public School Lands”). On the date it was admitted to the United States, the State held roughly 3.7 million acres of Public School Lands. As of June 30, 2021, the Colorado State Land Board of Commissioners (the “State Land Board”) reported that the State held approximately 2.8 million surface acres and approximately 4.0 million mineral acres in trust as Public School Lands.

The Act currently provides that for each Fiscal Year there is to be deposited in the Assistance Fund the greater of (i) 35% of the gross amount of “Public School Lands Income” received during the Fiscal Year or (ii) \$40 million. However, if the State Treasurer determines during any Fiscal Year that the use of interest or income earned on the deposit and investment of moneys in the Public School Fund to make lease payments under a Lease will prevent the interest component of the lease payments from qualifying for exemption from federal income taxation and provides written notice to the JBC of such determination, for the portion of the Fiscal Year beginning on the date the written notice is provided to the JBC and for each

subsequent Fiscal Year unless and until the State Treasurer makes a new determination during any Fiscal Year that the use of interest or income earned on the deposit and investment of moneys in the Public School Fund to make lease payments under a Lease will not prevent the interest component of the lease payments from qualifying for exemption from federal income taxation and provides written notice to the JBC of such determination, for the portion of the Fiscal Year beginning on the date the written notice is provided to the JBC, the amount to be deposited in the Assistance Fund is to be the greater of (i) 50% of the gross amount of Public School Lands Income other than interest or income earned on the deposit and investment of moneys in the Public School Fund received during the Fiscal Year or (ii) \$40 million. Public School Lands Income is defined under the Act to include: (i) the sale of timber on Public School Lands, and rentals or lease payments for the use and occupation of Public School Lands, and rentals or lease payments for sand, gravel, clay, stone, coal, oil, natural gas, geothermal resources, gold, silver or other minerals on Public School Lands (“Rental Income”); and (ii) royalties and other payments for the extraction of any natural resource on Public School Lands (“Royalties”). Proceeds from the sale of Public School Lands are not part of Public School Lands Income, but such proceeds may be used by the State to purchase additional income-producing Public School Lands.

**Rental Income and Royalties
(Unaudited)**

	Fiscal Year <u>2016-17</u>	Fiscal Year <u>2017-18</u>	Fiscal Year <u>2018-19</u>	Fiscal Year <u>2019-20</u>	Fiscal Year <u>2020-21</u>
Rental Income ^{1,2}	\$ 24,206,902	\$ 29,339,033	\$26,771,170	\$28,010,081	29,076,075
Royalties ¹	<u>92,795,261</u>	<u>100,450,450</u>	<u>121,704,081</u>	<u>110,176,901</u>	<u>86,373,467</u>
Total ³	<u>\$117,002,163</u>	<u>\$129,789,483</u>	<u>\$148,475,251</u>	<u>\$138,186,982</u>	<u>\$115,449,542</u>

¹ Includes interest earned on these revenues before they are distributed.

² Also includes timber sales.

³ See also the table under “Assistance Fund Details” in this APPENDIX. The variance for the entries in such table for “Rent and Royalties from State Land Board” and the amounts shown above is attributable to the fact that the Assistance Fund Details includes investment income produced by the Public School Permanent Fund beyond that distributed to support the School Finance Act annually.

Source: State Land Board.

Revenues from Rental Income and Royalties are primarily derived from non-renewable resources. In addition to the prices of such resources, the sustainability and consistency of such revenues annually is dependent upon the management of such resources by the State Land Board, including adequate diversification of properties and the timely reinvestment of Public School Lands Income in additional income-producing property.

The State Land Board experienced large increases in annual revenue in Fiscal Years 2012-13 through 2014-15 due almost entirely to the shale oil (Niobrara) boom. During this period the State Land Board benefited from historically high oil and natural gas lease auction bonuses, over 20% increase in oil and natural gas production on State trust land and high Colorado oil and natural gas prices. Negative pressures have impacted the revenue generated from Public School Lands in recent years. Oil and natural gas production has declined due to reduced new well starts and production volume that drops off significantly as wells age (production from horizontal wells declines by around 85% after the first year). Producers have not been as optimistic about developing new capacity as they were a few years ago, causing bonus payments to also decline. Though the State Land Board controls neither the price nor the demand for the commodity, the agency anticipates this trend to continue.

In the next year, the State Land Board expects oil and natural gas lease bonus revenue will further decline from \$1.9 million to \$1.4 million, oil royalty revenues will decline from \$51 million to \$44 million and natural gas royalty revenues will decline from \$29 million to \$25 million. The volatility of extractive markets underscores the agency’s strategic efforts to diversify its revenue streams. In fact, the agency’s

decline in revenues from extractive resources was partially offset by the continued steady increase in recurring revenue streams, such as commercial real estate, renewable energy leasing and agriculture grazing leases. Additionally, the interest generated from the Public School Permanent Fund has also experienced a steady increase. The corpus of the Public School Permanent Fund, a cash endowment fund that is managed by the State Treasurer's office, reached \$1.33 billion, or more than double the 2007 corpus. The corpus of the Public School Permanent Fund is inviolable, while the interest generated by the Fund is used to support K-12 education annually. The agency forecasts continued growth in both recurring revenue streams and the Public School Permanent Fund over the next few years.

Revenues of the State Land Board's School Trust, which benefit K-12 public schools both through allocations in the State's annual budget for public education and deposits to the Assistance Fund are projected to be slightly weaker for Fiscal Year 2021-22 than they were for Fiscal Year 2020-21. The State Land Board anticipates additional decline in Fiscal Year 2022-23 despite increases in non-oil and gas (*i.e.*, recurring) School Trust revenue.

State Lottery Proceeds

Article XXVII of the State Constitution (the "Lottery Amendment") created the Great Outdoors Colorado Program which allocates the "Net Proceeds" of State-supervised lottery games to various purposes. Net Proceeds are defined as all proceeds from all programs including Lotto and every other State-supervised lottery game operated under the authority of the Lottery Amendment less the cost of prizes and expenses of the State Lottery Division and other operational expenses of the State lottery. The Lottery Amendment currently requires that in every quarter of the State's Fiscal Year, an amount equal to 50% of the Net Proceeds exceeding \$53.1 million (as adjusted each year since Fiscal Year 2007-08 for changes from the 1992 Consumer Price Index-Denver) is to be deposited to the Assistance Fund (the "BEST Lottery Share").

The BEST Lottery Share deposits to the Assistance Fund in each of the last five Fiscal Years are set forth in the following table. The cost of randomly-awarded prizes and the operational expenses of the State lottery vary significantly from year to year, so the amount of Net Proceeds available for BEST Lottery Share deposits has been and may remain volatile. There is no certainty that the BEST Lottery Share will exceed or meet current levels. See also "—Assistance Fund Details" hereafter in this APPENDIX.

	BEST Lottery Share¹					
	Fiscal Year <u>2015-16</u>	Fiscal Year <u>2017-18</u>	Fiscal Year <u>2017-18</u>	Fiscal Year <u>2018-19</u>	Fiscal Year <u>2019-20</u>	Fiscal Year <u>2020-21</u>
BEST Lottery Share	\$8,070,499	\$2,273,562	\$4,117,403	\$14,736,143 ²	\$847,978 ³	\$7,603,614

¹ Amounts reflected above were generated in the prior Fiscal Years, received in the Fiscal Year as shown and deposited in the Assistance Fund.

² The State Lottery Division attributes the jump in sales in Fiscal Year 2018-19 to the launched a new \$50 scratch ticket, some high jackpots in the fall of 2018 and growth in the State's population, which typically results in more players. See the cautionary statement in the lead-in paragraph to the table.

³ Significant decrease in lottery revenues attributable in part to lack of enormous jackpots which occurred in the prior two fiscal years and the impact of stay-at-home orders.

Source: Colorado Department of Education.

Marijuana Excise Tax Revenues

On November 6, 2012, Colorado voters approved an initiated State constitutional measure known as Amendment 64 which provides for the legalization of marijuana use for persons 21 years of age or older and the taxation and regulation of marijuana in a manner similar to alcohol. Amendment 64 directs the General Assembly to enact an excise tax upon certain marijuana transactions prior to January 1, 2017, at a rate to be determined by the General Assembly, but not to exceed 15%. Amendment 64 requires the first

\$40 million in revenues received annually from such excise tax to be credited to the Assistance Fund. Proposition AA, a legislatively referred State statute approved by the State’s electorate on November 5, 2013, imposes an excise tax of 15% on the first sale or transfer of retail marijuana by a medical marijuana cultivation facility. The excise tax became effective on January 1, 2014 and can be subsequently established at a rate lower than 15% by the General Assembly and the Governor. See also “—Assistance Fund Details” hereafter in this APPENDIX. HB 18-1070 increased the amount of revenues received annually from such excise tax credited to the Assistance Fund for Fiscal Year 2018-19 and thereafter to the greater of 90% or the first \$40 million of such revenues, and HB 19-1055 further increased the amount of revenues received annually from such excise tax credited to the Assistance Fund for Fiscal Years 2019-20 and thereafter to 100% of such revenues. The Act also provides that for each Fiscal Year through Fiscal Year 2018-19, the State Treasurer is to credit 12.5% of such excise tax revenues credited annually to the Assistance Fund to the Charter School Facilities Assistance Account within the Assistance Fund, and that that for each Fiscal Year thereafter, the State Treasurer is to credit to such Charter School Facilities Assistance Account a percentage of the excise tax revenues credited annually to the Assistance Fund equal to the percentage of pupil enrollment, as defined in Section 22-54-103(10), C.R.S., statewide represented by pupils who were enrolled in charter schools for the prior school year.

Marijuana Excise Tax Revenues

	Fiscal Year <u>2016-17</u>	Fiscal Year <u>2017-18</u>	Fiscal Year <u>2018-19</u>	Fiscal Year <u>2019-20</u>	Fiscal Year <u>2020-21</u>
Marijuana Excise Tax	\$40,000,000	\$40,000,000	\$52,648,440	\$89,786,557	\$40,000,000

Source: Colorado Department of Education.

Additional Marijuana Revenues in Fiscal Year 2015-16

An additional one-time transfer of \$40 million was made to the Assistance Fund in Fiscal Year 2015-16 related to Proposition BB. The passage of Proposition BB by the voters in November 2015 allowed the State to retain tax revenues on retail marijuana sales that would otherwise be subject to refund under TABOR. See “STATE FINANCIAL INFORMATION—Taxpayer’s Bill of Rights—*Voter Approval to Retain and Spend Certain Marijuana Taxes Associated with Proposition AA*” in the body of this Official Statement. Proposition BB specifically authorized \$40 million of the retained tax revenues to be allocated to the Assistance Fund. See also “—Assistance Fund Details” hereafter in this APPENDIX.

Matching Moneys

The Act defines “Matching Moneys” as moneys required to be paid to the State or used directly to pay a portion of the costs of a public school capital construction project by a Participating K-12 Institution as a condition of an award of financial assistance to the Participating K-12 Institution under the Program. The Assistance Board determines which percentage, if any, of the total financing for the Participating K-12 Institution’s Project will constitute the required Matching Moneys for such Participating K-12 Institution. The percentage varies depending on the Participating K-12 Institution. The obligations of a Participating K-12 Institution to pay Matching Moneys to the State may be evidenced by (a) cash delivered at the time the related Certificates are delivered, (b) an obligation to pay base rent under the related Sublease subject to annual appropriation by the Participating K-12 Institution, (c) bonds issued by the Participating K-12 Institution and delivered to the State (“Matching Moneys Bonds”), (d) an obligation to pay cash installments under the related Sublease or Participation Agreement, subject to annual appropriation by the Participating K-12 Institution (“Matching Moneys Installment Payments”) or (e) other types of obligations permitted by the Act and approved by the Assistance Board. At or prior to the execution and delivery of the Series 2021S Certificates, \$36,551,838.99 Matching Moneys related to the Series 2021S Certificates will be credited to the Assistance Fund or to such other accounts appropriate under the Act in the form of

cash and will be used to pay for the Participating K-12 Institutions' respective projects. Additional Matching Moneys obligations relating to the Series 2021S Certificates are payable to the Assistance Fund in the future as Matching Moneys Bonds in the aggregate principal amounts of \$26,938,960.50 plus an estimated \$7,496,102.30 in interest. See "PLAN OF FINANCING—Series 2021S Projects and Series 2021S Participating K-12 Institutions." Under the Subleases, if the Costs of a Sublessee's Project are less than the amount of the moneys that may be withdrawn from the Sublessee's Project Account and the Assistance Fund (a "cost savings"), a portion of such cost savings, as determined by the State Treasurer, may, upon the consent of the Assistance Board, be shared with the Sublessee through the return of a portion of any cash payment of Matching Moneys or forgiveness of a portion of the base rent that would otherwise be payable under the applicable Sublease or of the principal, premium, if any, and interest that would otherwise be due on the Sublessee's Matching Moneys Bonds or Matching Moneys Installment Payments that would otherwise be payable under the Sublease, as applicable.

After the execution and delivery of the Series 2021S Certificates, an aggregate principal amount of approximately \$395,593,133.17 in future Matching Moneys Bonds or Matching Money Installment Payments relating to all Certificates will be outstanding. The related Participating K-12 Institutions with outstanding Matching Moneys Bonds have obtained voter approval for such Matching Moneys Bonds, and therefore the payment of the related Matching Moneys is not subject to annual appropriation by the Participating K-12 Institutions. The Matching Moneys Bonds constitute general obligations of the related Participating K-12 Institution, and all the taxable property within the boundaries of such Participating K-12 Institution is subject to the levy of an ad valorem tax to pay the principal of, premium, if any, and interest on the related Matching Moneys Bonds without limitation as to rate and in an amount sufficient to pay the Matching Moneys Bonds when due. Based upon the opinion of bond counsel for the relevant Participating K-12 Institutions, the Matching Moneys Bonds may bear a supplemental coupon as part of fully funding the related Matching Money requirement if permissible under the ballot approved by voters. The interest rate for the Matching Money Bonds or Matching Money Installment Payments is set at the time of pricing of the certificates of participation and all Matching Money Bonds are issued with a ten-year call option. The State Treasurer has created a process whereby Participating K-12 Institutions may amend the interest rate and payment schedule anytime on or after their respective call dates. Participating K-12 Institutions are also able to refund their Matching Money Bonds or Matching Money Installment Payments and provide the required prepayment amount to the State Treasurer. Future Matching Money Bond and Matching Money Installment Payments received in the Assistance Fund are subject to change based on these amendment and refunding opportunities.

Unless a Participating K-12 Institution that has Matching Moneys Bonds constituting general obligation bonds opts not to participate, Section 22-41-110, C.R.S. (the "Bond Payment Act"), is applicable to such Matching Moneys Bonds. Each of the Participating K-12 Institutions that has Matching Moneys Bonds constituting general obligation bonds has notified the State of its participation under the Bond Payment Act. Under the Bond Payment Act, if the paying agent with respect to a particular Matching Moneys Bond has not received a payment on the Matching Moneys Bond on the business day immediately prior to the date on which such payment is due, the paying agent is required to notify the State Treasurer and the Participating K-12 Institution that issued the Matching Moneys Bond. The State Treasurer is then required to contact the Participating K-12 Institution to determine whether the Participating K-12 Institution will make the payment by the date on which it is due. If the Participating K-12 Institution indicates to the State Treasurer that it will not make the payment on the Matching Moneys Bond by the date on which it is due, the State Treasurer is required to forward to the paying agent, in immediately available funds from any legally available funds of the State, the amount necessary to make the payment of the principal of and interest on the Matching Moneys Bond.

If the State Treasurer makes a payment on a Matching Moneys Bond under the Bond Payment Act, the State Treasurer is required to withhold such amount from the next succeeding payment to that school

district of the State's share of the school district's required funding under Colorado's Public School Finance Act of 1994 and from property tax and specific ownership revenues collected by the county treasurer on behalf of the school district (except property taxes levied for the payment of bonds) on each occasion on which the State Treasurer makes a payment on a bond on behalf of a school district. While the withholding of such funding and property and specific ownership tax payments by the State is limited to 12 monthly payments, the Bond Payment Act does not correspondingly limit the State's contingent obligation to pay the Matching Moneys Bonds.

If the State Treasurer is required to make a payment on a Matching Moneys Bond, the State Department of Education is required to initiate an audit of the school district to determine the reason for the nonpayment of the Matching Moneys Bond and to assist the school district, if necessary, in developing and implementing measures to assure that future payments will be made when due.

The State has covenanted that it will not repeal, revoke, rescind, modify or amend the Bond Payment Act so as to limit or impair the rights and remedies granted under the Bond Payment Act. However, the Bond Payment Act provides that it is not to be deemed or construed to require the State to continue the payment of State assistance to any school district or to limit or prohibit the State from repealing, amending or modifying any law relating to the amount of State assistance to school districts or the manner of payment or the timing thereof. The Bond Payment Act further provides that it is not to be deemed or construed to create a debt of the State with respect to any Matching Moneys Bond within the meaning of any State constitutional provision or to create any liability except as specifically provided in the Bond Payment Act.

The Act currently provides that the maximum total of annual lease payments payable by the State under the Leases during any Fiscal Year under the terms of all outstanding Leases is \$125 million for Fiscal Years 2020-21 and thereafter. The State Treasurer may enter into Leases for which the aggregate annual lease payments of principal or interest for any Fiscal Year exceed one-half of the maximum total amount of annual lease payments only if the aggregate amount of Matching Moneys expected to be credited to the Assistance Fund and any interest or income derived from the deposit and investment of the Matching Moneys is at least equal to the annual lease payments of principal and interest payable by the State during any Fiscal Year that exceed one-half of such maximum total amount. Aggregate Rent in connection with the Leases to be effect following the execution and delivery of the Series 2021S Certificates is not expected to reach 50% of the maximum amount stated above.

Matching Moneys and other amounts deposited in the Assistance Fund do not directly secure payment of the Series 2021S Certificates. Once Matching Moneys payable in installments are deposited in the Assistance Fund, such amounts, together with other amounts on deposit therein, are available to be appropriated by the State to pay the Series 2021S Certificates or for other purposes, including defraying the cost of Projects.

In addition to funding Rent, amounts in the Assistance Fund are used for a variety of purposes including emergency grants, grants, operating expenses and other uses permitted by the Act.

Assistance Fund Details

The following table shows unaudited financial information relating to the Assistance Fund for the prior five Fiscal Years.

Assistance Fund Details¹

	As of June 30, 2017	As of June 30, 2018	As of June 30, 2019	As of June 30, 2020	As of June 30, 2021
Assets ²	\$387,805,807	\$403,088,998	\$449,299,706	\$449,226,403	\$307,874,726
Liabilities ³	2,209,304	10,329,056	32,192,948	40,425,750	33,566,081
Fund Balance	385,596,503	392,759,942	417,106,758	408,800,653	274,308,645
Restrictions and Encumbrances ⁴	68,505,539	151,593,529	150,618,432	190,756,683	175,280,031
Available Fund Balance ⁵	317,090,964	236,358,471	266,488,326	218,043,970	99,028,614
	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Fiscal Year 2020-2021
Revenue:					
Transfers In for Grants and Construction Payments ⁶	\$ --	\$ 8,807,361	\$ 93,877,955	\$212,917,293	\$185,326,757
Rents and Royalties from the State Land Board & Public School Permanent Fund Interest Income	58,501,081	69,227,578	82,406,770	78,488,226	67,034,722
Lottery	2,273,562	4,117,403	14,736,143	847,978	7,603,614
Marijuana Excise Tax	40,000,000	40,000,000	52,648,440	89,786,557	40,000,000
Marijuana Sales Tax (Proposition BB)	--	--	--	--	--
Matching Moneys	16,395,130	17,356,738	22,315,549	28,456,354	32,446,886
Interest	4,099,368	6,343,427	8,874,910	8,684,611	3,818,117
General Fund Transfer (SB21-202)					10,000,000
Total Revenue	121,269,148	145,852,507	274,859,767	419,181,019	346,230,096
Expenditures:					
Grants	42,992,299	57,727,190	68,742,664	94,645,720	99,097,545
Construction Payments ⁶	--	13,700,329	108,295,263	219,307,608	179,140,412
Base Rent Payments	45,873,514	65,652,050	71,714,845	111,739,976	91,437,005
Administration and Other	1,492,245	1,609,499	1,760,179	1,793,820	1,789,763
Transfer for State Education Fund					100,000,000
Total Expenditures	<u>90,358,058</u>	<u>138,689,068</u>	<u>250,512,951</u>	<u>427,487,124</u>	<u>471,464,725</u>
Change in Fund Balance	<u>\$30,911,082</u>	<u>\$ 7,163,439</u>	<u>\$ 24,346,816</u>	<u>\$ (8,306,105)</u>	<u>\$(125,234,629)</u>

¹ This presentation is unaudited because the Assistance Fund is not statutorily authorized to publish audited financial statements. It has been prepared from the Assistance Fund's accounting records which are subject to audit as part of the State's Comprehensive Annual Financial Report audit.

² Primarily reflects cash and year-end accrued receivables. No Certificate proceeds are reported in this balance.

³ Primarily reflects Matching Moneys on deposit from Participating K 12 Institutions and year-end accrued construction payments payable. Does not include Base Rent payments on the Certificates.

⁴ Primarily reflects payment obligations for approved project costs that are not financed with proceeds of the Certificates.

⁵ This available fund balance includes designations of cash on hand. The designation of cash on hand consists of statutory requirements for BEST emergency funds, debt obligation payments, direct deposits held, and anticipated cash distributions for the following Fiscal Year.

⁶ Includes Trustee payments directly to construction contractors from Certificate proceeds. The Certificate-related portion of these line items is equal and offsetting and has no effect on the Available Fund Balance of the Assistance Fund. The amounts are required to be recorded in the State's official book of record by the Assistance Fund in order to support the recording of capital assets subleased by the State Treasurer to Participating K 12 Institutions. Those capital assets collateralized the State's liability recorded pursuant to entering into the Leases with the Trustee.

Source: Colorado Department of Education.

State Appropriation or Transfer from Legally Available Sources

If the amount of moneys in the Assistance Fund that is available to pay lease payments under the Leases will be insufficient to cover the full amount of the lease payments required by the Leases, the Act provides that the General Assembly may appropriate or transfer from any legally available source to the Assistance Fund sufficient moneys to make the lease payments. ***However, the General Assembly is not obligated to appropriate or transfer moneys for such purpose and the decision whether or not to appropriate any such amount for such purpose will be in the General Assembly's sole discretion.*** See "APPENDIX E—THE STATE GENERAL FUND."

Future Changes in Laws

Various State laws, including the Act, apply to the priority and allocation of Public School Lands Income, availability of funds for appropriation by the State and other operations of the State. There is no assurance that there will not be any change in interpretation of, or addition to the applicable laws, provisions and regulations which would have a material effect, directly or indirectly, on the affairs of the State or amounts deposited in the Assistance Fund.

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APPENDIX H

LEASED PROPERTY RELATING TO THE PRIOR CERTIFICATES ¹

The following table describes the Leased Property subject to the Leases between the Trustee and the respective Participating K-12 Institutions relating to the Certificates to be outstanding upon the execution and delivery of the Series 2021S Certificates.

<u>Participating K-12 Institutions</u>	<u>Description of Leased Property</u>	<u>Land</u>
Series 2009A Certificates		
Alamosa School District No. RE-11J	Two elementary schools (144,688 sq. ft. w/ 72 classrooms) ²	26.6-acre parcel of undeveloped land valued at \$226,000
Sangre de Cristo School District RE-22J	One K-12 school (81,000 sq. ft. w/ 24 classrooms) ²	40-acre parcel of agricultural land valued at \$32,667
Sargent RE-33J	One junior/senior high school (62,463 sq. ft. w/ 18 classrooms) ^{2,3}	1.2-acre parcel valued at \$6,656
Series 2010B-C Certificates <i>(The Series 2010B Certificates were refunded and defeased by the Series 2018L Certificates, and the Series 2010C Certificates have been paid in full)</i>		
Alta Vista Charter School, Inc.	Addition to K-8 school ² (18,000 sq. ft. plus renovations)	7.4-acre parcel valued at \$37,634
Colorado School for the Deaf and Blind	Historical building renovation ² (6,000 sq. ft. addition w/7 classrooms)	0.6-acre parcel valued at \$55,756
Delta County Joint School District 50	Existing elementary school ²	10.5-acre parcel valued at \$60,000
Douglas County School District, RE1	Existing administrative building ²	2.1-acre parcel valued at \$283,484
El Paso County School District No. 8	Existing activity center building ²	4.1-acre parcel valued at \$78,000
Miami Yoder School District JT-60	Phase II of new PK-12 school (64,974 sq. ft.) ²	2-acre parcel valued at \$1,300
Park County School District RE-2	New PK-12 campus (125,000 sq. ft. w/ 40 classrooms) ²	9.8-acre parcel valued at \$657,416
San Juan County School District No. 1	Renovate historical K-12 school (21,500 sq. ft. bldg. and 10,000 sq. ft. gym) ²	1.1-acre parcel valued at \$1,108,600
Swink School District No. 33	Elementary school classroom addition (5,800 sq. ft. w/ 6 classrooms) ²	0.3-acre parcel valued at \$230
Series 2010D-F Certificates <i>(The Series 2010E Certificates were refunded and defeased by the Series 2018M Certificates, and the Series 2010F Certificates have been paid in full)</i>		
Akron School District No. R-1	PK-12 school (108,700 sq. ft. w/ 32 classrooms) ²	5.14-acre parcel of land valued at \$125,300
Center Joint Consolidated School District No. 26	K-12 school (105,000 sq. ft. w/ 60 classrooms) ²	14.3-acre parcel of land valued at \$39,341
Holly School District RE-3	PK-12 school (73,631 sq. ft. w/ 42 classrooms) ²	23.0-acre parcel of land valued at \$51,354
Lake George Charter School	PK-6 school (21,000 sq. ft. w/ 12 classrooms) ²	10.0-acre parcel of land valued at \$100,000
Mapleton School District	Partial campus improvements (404,250 sq. ft. w/ 121 classrooms affected) ²	34.8-acre parcel of land valued at \$695,000
Monte Vista Consolidated School District No. 8	High school and elementary school (128,531 sq. ft. w/ 56 classrooms) ²	8.8-acre parcel of land valued at \$504,733
North Routt Community Charter School	K-8 school (12,241 sq. ft. w/ 6 classrooms) ^{2,3}	8.0-acre parcel of land valued at \$60,000 ³

<u>Participating K-12 Institutions</u>	<u>Description of Leased Property</u>	<u>Land</u>
Salida School District R-32-J	High school (98,190 sq. ft. w/22 classrooms) ²	14.5-acre parcel of land valued at \$453,370
Vista Charter School	Grades 6-8 school (16,835 sq. ft. w/ 9 classrooms) ²	2.3-acre parcel of land valued at \$595,000
Series 2011G Certificates <i>(The Series 2011G Certificates were refunded and defeased by the Series 2017K Certificates)</i>		
Big Sandy School District	New PK-12 school (83,412 sq. ft. w/ 34 classrooms) ²	33.9-acre parcel of land valued at \$55,000
Eagle County Charter Academy	K-8 school (45,000 sq. ft. w/ 26 classrooms) ²	6.001-acre parcel of land valued at \$304,550
Ellicott School District	Middle school (74,466 sq. ft. w/ 27 classrooms) ²	8.61-acre parcel of land valued at \$10,501
Englewood School District	High school (97,800 sq. ft. w/ 30 classrooms) ²	12.68-acre parcel of land valued at \$1,601,788
Horizons School	K-8 charter school addition (37,725 sq. ft. w/ 10 classrooms) ^{2,3}	1.045-acre parcel of land valued at \$133,266
Idalia School District	PK-12 gym ^{2,3}	1.91-acre parcel of land valued at \$291
Ignacio School District	Cafeteria, stage and kitchen addition ²	0.484-acre parcel of land valued at \$21,054
Prairie School District	PK-12 school (57,764 sq. ft. w/ 20 classrooms) ^{2,3}	24.394-acre parcel of land valued at \$2,486
Sanford School District	Bus barn and building ²	2.685-acre parcel of land valued at \$2,658
Series 2012H Certificates <i>(The Series 2012H Certificates were partially refunded and defeased by the Series 2019P Certificates)</i>		
Elbert School District No. 200	PK-12 school 73,869 sq. ft. w/ 25 classrooms ²	10.1-acre parcel of land valued at \$46,739
Genoa-Hugo School District No. C-113	South wing of PK-12 school 37,902 sq. ft. ²	8.66-acre parcel of land valued at \$6,381
Greeley School District No. 6	Middle school 103,267 sq. ft. w/ 36 classrooms ²	20.0-acre parcel of land valued at \$3,386
Hi-Plains School District No. R-23	PK-12 school 51, 268 sq. ft. w/ 20 classrooms ²	40-acre parcel of land valued at \$34,000
Lake County School District No. R-1	High school addition 38,000 sq. ft. w/ 15 classrooms ^{2,4}	2.09-acre parcel of land valued at \$21,326
Montezuma-Cortez School District No. RE1	High school 162,500 sq. ft. w/ 25 classrooms ²	35.47-acre parcel of land valued at \$600,000
Otis School District No. R-3	PK-12 school 67,764 sq. ft. w/ 21 classrooms ²	13.45-acre parcel of land valued at \$62,852
Platte Valley School District No. RE3	Gym and weight room 19,273 sq. ft. ²	0.98-acre parcel of land valued at \$2,421
Sheridan School District No. 2	Early childhood center ^{2,3} 129,927 sq. ft. w/ 49 classrooms	14.045-acre parcel of land valued at \$1,774,220
Series 2013I Certificates <i>(The Series 2013I Certificates were partially refunded and defeased by the Series 2019Q Certificates)</i>		
Creede School District	K-12 school replacement 37,277 sq. ft. w/ 15 classrooms ²	15.01-acre parcel of land valued at \$300,000
Haxtun School District RE-2J	K-12 renovation and addition 86,753 sq. ft. w/ 23 classrooms ²	7.91-acre parcel of land valued at \$1,091
Kim Reorganized School District No. 88	Renovation and addition to PK-12 school 31,987 sq. ft. w/ 11 classrooms ²	2.14-acre parcel of land valued at \$47,308
Limon School District No. RE 4J	New PK-12 school and gym renovation 118,000 sq. ft. w/ 40 classrooms ²	7.06-acre parcel of land valued at \$7,345
Moffat School District No. 2 in the County of Saguache and State of Colorado	PK-12 school replacement 49,644 sq. ft. w/ 21 classrooms ²	4.47-acre parcel of land valued at \$2,473
South Conejos School District No. RE-10	PK-12 school replacement	22.89-acre parcel of land valued at \$8,275

<u>Participating K-12 Institutions</u>	<u>Description of Leased Property</u>	<u>Land</u>
	63,583 sq. ft. w/ 19 classrooms ²	
2015 Supplemental Indenture⁵		
Morgan County School District RE-3	New middle school ²	11.89 acres valued at \$58,682
Series 2017J Certificates		
Brush School District RE-2J	Middle school replacement and high school renovation and maintenance building 171,211 sq. ft. w/ 56 classrooms	41.14-acre parcel of land valued at \$440,270
Del Norte School District C-7	New K-12 school 110,000 sq. ft. w/ 45 classrooms	43.13-acre parcel of land valued at \$14,495
Mancos School District RE-6	K-12 school renovations and Gym 152,000 sq. ft. w/ 6 classrooms	6.21-acre parcel of land valued at \$37,570
Mountain Valley School District RE-1	New PK-12 school 59,206 sq. ft. w/ 25 classrooms	10.51-acre parcel of land valued at \$38,825
Series 2017K Certificates (See Series 2011G Certificates above)		
Series 2018L Certificates (See Series 2010B-C Certificates above)		
Series 2018M Certificates (See Series 2010D-F Certificates above)		
Series 2018N Certificates		
Adams County School District 14	New PK-5 elementary school replacement 76,280 sq. ft. w/ 38 classrooms	5.48 acres
Buena Vista School District R-31	New middle school and high school and gym and building renovations 134,128 sq. ft. w/ 47 classrooms	21.02 acres
Canon City School District RE-1	New elementary school 46,994 sq. ft. w/ 15 classrooms	2.64 acres
Hayden School District RE-1	New middle school and high school plus renovation of elementary school 136,962 sq. ft. w/ 38 classrooms	20.7 acres
Kit Carson School District R-1	New PK-12 school 48,000 sq. ft. w/ 18 classrooms	15.2 acres
Mapleton School District 1	New 4-8 school 45,980 sq. ft. w/ 20 classrooms	4.125 acres
Swallows Charter Academy	Addition to K-12 school 45,755 sq. ft. w/ 27 classrooms	4.11 acres
Wray School District RD-2	New middle school as addition to existing elementary school and high school 150,800 sq. ft. w/ 57 classrooms	21.56 acres
Series 2019O Certificates		
Adams-Arapahoe 28J	Middle School 131,000 sq. ft. w/ 51 classrooms	19.23 acres
Lake County R-1	Elementary School 58,459 sq. ft. w/ 21 classrooms	10.007 acres
Manzanola 3J	PK-12 School 67,500 sq. ft. w/ 14 classrooms	8.139 acres
Mapleton 1	Elementary School 60,000 sq. ft. w/ 26 classrooms	7.346 acres
North Conejos RE-1J	High School 73,311 sq. ft. w/ 25 classrooms	29.7 acres
Yuma 1	High School and outbuildings 64,230 sq. ft. w/ 22 classrooms	30.092 acres
Series 2019P Certificates (See Series 2012H Certificates above)		
Series 2019Q Certificates (See Series 2013I Certificates above)		
Series 2020R Certificates		

<u>Participating K-12 Institutions</u>	<u>Description of Leased Property</u>	<u>Land</u>
Johnstown-Milliken RE-5J	New Elementary School 80,000 sq. ft. w/ 40 classrooms	10.002 acres
Pueblo School District No. 60	New Elementary School 56,000 sq. ft. w/ 24 classrooms	7.641 acres
Pueblo School District No. 60	New Elementary School 56,000 sq. ft. w/24 classrooms	7.046 acres
Springfield School district No. RE-4	Renovation of High School w/ addition of PK-8 80,683 sq. ft. w/32 classrooms	21.63 acres

Series 2021S Certificates (See “*PLAN OF FINANCING—The Series 2021S Projects and Series 2021S Participating K-12 Institutions*” and “*SECURITY AND SOURCES OF PAYMENT—The Leased Property—The 2021S Leased Property.*”)

¹ The Leased Property shown on this list, or any portion thereof, may be released and other property substituted therefor as described in “Substitution of Leased Property” under “SECURITY AND SOURCE OF PAYMENT.” In some cases, the Leased Property is comprised of existing facilities which were not wholly or partially financed with the proceeds of the Certificates.

² These Projects have been cleared for occupancy and are currently in operation. Remaining Projects in this table have not been cleared for occupancy and are being funded from amounts remaining in the related Project Accounts and, in some cases, Matching Moneys that may be withdrawn from the Assistance Fund to pay Project costs.

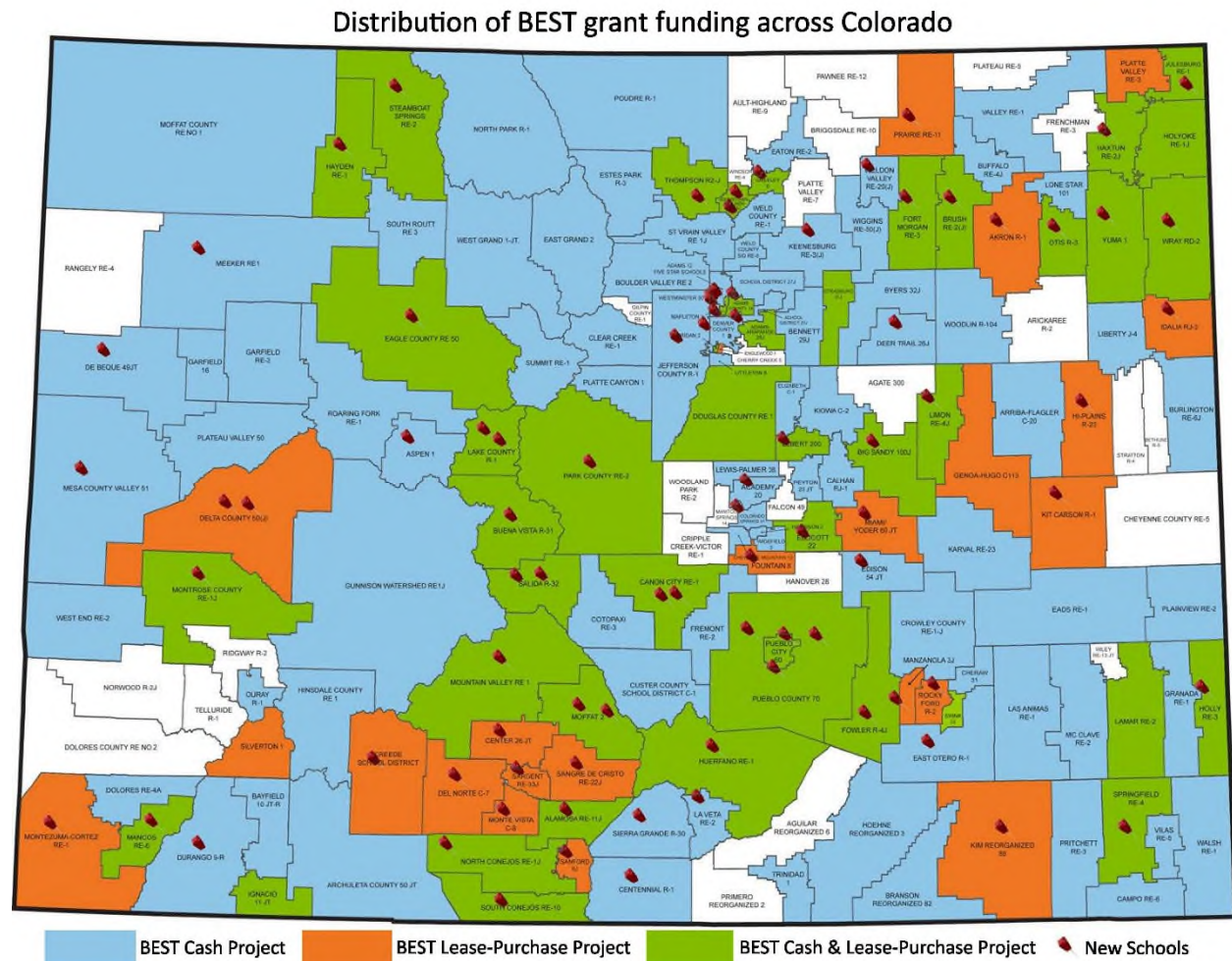
³ Restricted by deed to educational purposes. Accordingly, the ability of the Trustee to lease such Leased Property to third parties upon the occurrence of an Event of Nonappropriation or an Event of Default and subsequent vacating of such property will be limited to lessee’s desiring to use the property for educational purposes. See “CERTAIN RISK FACTORS—Effect of a Nonrenewal of a Lease.”

⁴ Upon the failure of the Rocky Mountain Deaf School to satisfy certain contractual obligations, the State Board reallocated funds originally designated to such school to the Lake County School District to fund another qualified project.

⁵ The 2015 Supplemental Indenture funded one Project using unexpended State Expense Funds from several Series of Certificates. Source: Colorado Department of Education.

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The following map shows the geographic distribution of the BEST projects¹ in the State.



¹ Map includes all projects awarded since the Fiscal Year 2008-09 grant cycle, including the Series 2021S Projects.

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APPENDIX I

CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information was prepared and provided by Development Research Partners, Inc., to give prospective investors general information concerning selected economic and demographic conditions existing in Colorado as of the dates indicated. The statistics have been obtained from the referenced sources and represent the most current information available as of May 2021 from the sources indicated; however, since certain information is released with a significant time lag, the information in some cases will not be indicative of existing or future economic and demographic conditions. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information concerning the State not presented herein may be available, and prospective investors may want to review such information prior to making their investment decision. The following information is not to be relied upon as a representation or guarantee of the State or any officer or employee of or advisor to the State. As a direct result of the COVID-19 pandemic, the information in this Appendix I, such as employment figures, has changed materially since the date of such information. See “RISKS AND OTHER INVESTMENT CONSIDERATIONS—Potential Impacts of COVID-19 (Coronavirus).” See also “APPENDIX E—THE STATE GENERAL FUND—Revenue Estimation; OSPB Revenue and Economic Forecasts” and “APPENDIX F—OSPB SEPTEMBER 2021 REVENUE FORECAST.”

Development Research Partners, Inc., has consented to the inclusion of such information in this Official Statement. Neither the State nor the Underwriters assumes responsibility for the accuracy, completeness or fairness of such information. The information in this Appendix has been included in this 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 this Appendix in its entirety for information with respect to the economic and demographic status of the State.

Overview

Colorado, the most populous state in the Rocky Mountain region, has three distinct geographic and economic areas. The eastern half of the State consists of the eastern plains, which are flat, open and largely devoted to agriculture. The Front Range lies along the eastern base of the Rocky Mountains and contains most of the State’s metropolitan areas. The western half of the State – which includes the Rocky Mountains and the Western Slope – includes many acres of national park and forest land and significant reserves of minerals, natural gas and other resources.

The State’s population and wealth are concentrated in the Front Range, principally in four major metropolitan areas: Denver/Boulder, Colorado Springs, Fort Collins/Greeley and Pueblo. Denver, the State’s capital, is the economic center of the State and the Rocky Mountain region. About 56% of the State’s population and 62% of its jobs are located in the Denver/Boulder metropolitan area, which is a hub for transportation, communication, financial activities and professional and business services. The aerospace, bioscience and energy industries are also key contributors to economic growth in the Denver/Boulder metropolitan area and the State as a whole.

The State’s economic performance depends heavily on economic performance at the national level. See also “APPENDIX A—THE STATE GENERAL FUND—OSPB Revenue and Economic Forecasts” and “APPENDIX B—OSPB SEPTEMBER 2021 REVENUE FORECAST.”

Population and Age Distribution

The following table provides population figures for Colorado and the United States for the past 10 years.

Population Estimates (as of July 1)

	<u>Colorado</u>		<u>United States</u>	
	Population (millions)	% Change	Population (millions)	% Change
2010	5.1	1.5%	309.3	0.9%
2011	5.1	1.5	311.6	0.7
2012	5.2	1.4	313.9	0.7
2013	5.3	1.5	316.1	0.7
2014	5.4	1.5	318.4	0.7
2015	5.5	1.9	320.7	0.7
2016	5.5	1.6	323.1	0.7
2017	5.6	1.3	325.1	0.6
2018	5.7	1.4	326.8	0.5
2019	5.8	1.2	328.3	0.5
2020	5.8	0.9	329.5	0.4

Note: Figures for 2010 through 2019 are estimates. The U.S. 2020 count is an estimate, and the 2020 count for Colorado is a forecast. Sources: Colorado Division of Local Government, State Demography Office; U.S. Census Bureau, Population Estimates Program

The following table provides the age distribution for the most recent year available for the State's population and the population nationwide.

Age Distribution As of July 1,

	<u>Colorado, 2020</u>		<u>United States, 2020</u>	
	Population (millions)	% of total	Population (millions)	% of total
Under 18	1.25	21.6%	72.82	22.1%
18 to 24	0.56	9.7	30.03	9.1
25 to 44	1.68	28.9	88.21	26.8
45 to 64	1.44	24.4	82.77	25.1
65+	<u>0.88</u>	<u>15.1</u>	<u>55.66</u>	<u>16.9</u>
Total	5.81	100.0	329.48	100.0
Median Age ¹	37.3		38.5	

¹ U.S. median age is for 2018.

Note: Totals may not add due to rounding. The U.S. 2019 count is an estimate, and the Colorado 2019 count is a forecast.

Sources: Colorado Division of Local Government, State Demography Office; U.S. Census Bureau, Population Estimates Program.

Income

The following table provides annual per capita personal income figures for Colorado, the Rocky Mountain Region, and the United States.

Per Capita Personal Income in Current Dollars¹

	Colorado		Rocky Mountain Region ²		United States	
	Income	% Change	Income	% Change	Income	% Change
2015	\$52,219	--	\$47,034	--	\$49,003	--
2016	52,431	0.4%	47,505	1.0%	49,995	2.0%
2017	55,550	5.9	49,939	5.1	52,096	4.2
2018	58,836	5.9	52,886	5.9	54,581	4.8
2019	61,159	3.9	54,865	3.7	56,474	3.5
2020	63,522	3.9	57,543	4.9	59,729	5.8

¹ Per capita personal income is total personal income divided by the July 1 population estimate.

² The Rocky Mountain Region includes Colorado, Idaho, Montana, Utah, and Wyoming.

Source: U.S. Bureau of Economic Analysis.

Employment

The following table provides labor force, total employment, and unemployment statistics for the State.

Civilian Labor Force, Total Employment, and Unemployment Rates (Not Seasonally Adjusted)

	Colorado Civilian Labor Force (thousands)		Colorado Total Employment (thousands) ¹		Annual Average Unemployment Rate	
		% Change		% Change	Colorado	United States
2016	2,894.2	—%	2,803.5	—%	3.1%	4.9%
2017	2,982.5	3.1	2,904.0	3.6	2.6	4.4
2018	3,071.4	3.0	2,978.2	2.6	3.0	3.9
2019	3,126.1	1.8	2,043.1	2.2	2.7	3.7
2020	3,122.2	-0.1	2,895.5	-4.9	7.3	8.1

Year-to-date averages through April:

2020	3,086.8	—	2,912.9	—	5.6%	6.7%
2021	3,172.2	2.8%	2,962.8	1.7%	6.6	6.3

¹ Includes the self-employed, unpaid family workers, and other groups not included in statistics that show employment by industry.

Sources: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics; Labor Force Statistics from the Current Population Survey.

The following table shows Colorado employment by industry for the past five years. Industry designations are based on the North American Industrial Classification System. Employment includes only those workers covered by unemployment insurance; most workers in the state are covered.

Average Annual Number of Employees by Industry

Industry	2016	2017	2018	2019	2020	Most Recent Quarter		% Change
						2020Q3	2020Q4	
Private Sector:								
Agriculture, Forestry, Fishing, and Hunting	16,469	17,598	18,131	19,743	20,067	21,223	19,931	-6.1%
Mining	23,573	25,578	28,200	28,635	21,594	19,183	19,377	1.0%
Utilities	8,239	8,079	8,030	8,168	8,307	8,316	8,317	0.0%
Construction	155,139	163,452	173,063	178,867	174,811	176,214	175,043	-0.7%
Manufacturing	142,381	144,064	147,270	150,109	146,451	146,239	146,394	0.1%
Wholesale Trade	104,882	106,726	108,257	110,218	107,838	106,463	107,763	1.2%
Retail Trade	269,032	270,783	272,644	272,176	262,468	264,229	275,494	4.3%
Transportation and Warehousing	68,327	72,554	77,469	83,417	86,649	85,048	92,314	8.5%
Information	71,730	71,643	74,992	76,296	74,894	73,268	74,227	1.3%
Finance and Insurance	108,970	111,293	112,624	112,761	113,185	112,831	114,484	1.5%
Real Estate and Rental and Leasing	48,707	50,566	52,152	54,474	52,185	51,097	53,245	4.2%
Professional and Technical Services	210,093	215,783	224,620	235,424	239,350	238,255	242,392	1.7%
Management of Companies and Enterprises	36,833	39,018	40,839	42,317	41,970	41,315	42,211	2.2%
Administrative and Waste Services	158,535	158,041	158,512	161,846	149,437	149,514	150,722	0.8%
Educational Services	34,992	35,375	36,694	37,674	34,474	32,862	34,806	5.9%
Health Care and Social Assistance	287,168	291,299	298,559	303,803	297,467	296,660	302,769	2.1%
Arts, Entertainment, and Recreation	52,625	55,407	56,848	58,975	44,406	43,759	41,607	-4.9%
Accommodation and Food Services	270,673	277,613	282,491	285,929	227,884	232,252	222,015	-4.4%
Other Services	78,231	82,201	82,029	84,557	77,271	77,285	78,266	1.3%
Unclassified	759	180	1,886	2,636	2,255	3,167	2,184	-31.0%
Government	405,690	412,002	418,297	427,979	420,659	411,316	421,515	2.5%
Total*	2,553,045	2,609,255	2,673,605	2,736,002	2,603,620	2,590,498	2,625,077	1.3%

* Industry employment levels may not add to total due to rounding.

Source: Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages.

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The following table shows the largest private sector employers in Colorado based on the most current information available as of May 2020. No independent investigation has been made, and no representation is made herein as to the financial condition of the employers listed below or the likelihood that these employers will maintain their status as major employers in the state. Employment counts for these businesses may have changed since this table was compiled, and other large employers may exist in the State that are not included in the table.

Estimated Largest Private Sector Employers in Colorado

Employer	Type of Business	Estimated Employees¹
Wal-Mart	General Merchandise	29,900
UCHealth	Healthcare, Research	25,300
The Kroger Co. (King Soopers/City Market)	Supermarkets	22,000
Centura Health	Healthcare	14,200
Amazon	Warehousing & Distribution Services	12,600
HealthONE Corporation	Healthcare	12,100
Lockheed Martin Corporation	Aerospace & Defense Related Systems	11,400
SCL Health	Healthcare	10,000
Comcast	Telecommunications	9,000
Home Depot	Building Materials Retailer	8,000
Target Corporation	General Merchandise	7,900
Children's Hospital Colorado	Healthcare	7,800
Safeway Inc.	Supermarkets	7,300
Kaiser Permanente	Health Maintenance Organization	7,200
United Airlines	Airline	6,900
JBS Swift & Company	Beef Processing/Corporate Office	6,000
United Parcel Service	Logistics	5,900
Lumen Technologies	Telecommunications	5,800
Vail Resorts	Leisure & Hospitality	5,600
Ball Corporation	Aerospace, Containers	5,500
FedEx Corp.	Transportation, E-commerce	5,200
Banner Health	Healthcare	5,100
Wells Fargo	Banking/Financial Services	5,000
Charles Schwab	Financial Services	4,500
Southwest Airlines	Airline	4,400

¹ Includes both full- and part-time employees.

Source: Compiled by Development Research Partners from various sources, May 2021.

The following table shows the largest public sector employers in Colorado based on the most current information available as of May 2021.

Estimated Largest Public Sector Employers in Colorado

Employer	Estimated Employees¹
State of Colorado	59,200
Federal Government (except USPS)	45,700
University of Colorado System	24,300
Denver Public Schools	15,200
City & County of Denver	12,000
Jefferson County Public Schools	11,100
U.S. Postal Service	9,000
Douglas County School District RE-1	8,300
Denver Health	8,000
Colorado State University	7,700
Cherry Creek School District 5	7,600
Aurora Public Schools	5,700
Adams 12 Five Star Schools	4,800
Boulder Valley School District RE-2	4,200
St. Vrain Valley School District RE-1J	4,100
Poudre School District R-1	4,100
City of Aurora	4,000
Colorado Springs School District 11	3,700
Academy Schools District 20	3,600
Jefferson County	3,400
U.S. Department of Veterans Affairs	3,200
Mesa County Valley School District 51	3,000
Arapahoe County	3,000
El Paso County	2,800
School District 49	2,700

¹ Includes both full- and part-time employees.

Source: Compiled by Development Research Partners from various sources, May 2021.

Retail Sales

The following table provides recent annual sales figures as reported for state sales tax purposes.

Colorado Sales and Use Tax Net Collections Fiscal Years 2016 to 2020

	Sales Tax		Use Tax	
	Amount (thousands)	% Change	Amount (thousands)	% Change
2016	\$2,596,355	--	\$243,818	--
2017	\$2,719,778	4.8%	\$258,604	6.1%
2018	\$2,906,717	6.9	\$305,192	18.0
2019	\$3,031,974	4.3	\$343,489	12.5
2020	\$3,186,143	5.1	\$226,116	-34.2

Source: Colorado Department of Revenue.

The following table provides retail sales totals by industry for the State for the most recent five years and year-to-date available.

Industry	2016	% Change	2017	% Change	2018	% Change	2019	% Change	2020	% Change	2020	2021	% Change
Agriculture/Forestry/Fishing	559.5	11.8%	417.9	-25.3%	587.2	40.5%	521.1	-11.3%	491.8	-5.6%	79.8	75.3	-5.6%
Mining	2,485.9	-33.6%	3,665.9	47.5%	4,411.7	20.3%	3,938.3	-10.7%	3,065.7	-22.2%	817.3	607.4	-25.7%
Utilities	7,301.0	-4.1%	7,570.4	3.7%	7,665.8	1.3%	8,031.0	4.8%	7,512.2	-6.5%	2,041.4	2,227.3	9.1%
Construction	4,740.5	1.2%	5,133.6	8.3%	5,758.0	12.2%	6,124.0	6.4%	6,148.5	0.4%	1,340.0	1,313.3	-2.0%
Manufacturing	14,679.1	-7.5%	16,217.9	10.5%	17,360.8	7.0%	15,992.7	-7.9%	16,906.4	5.7%	3,920.1	3,718.7	-5.1%
Wholesale Trade	14,874.5	3.1%	14,530.3	-2.3%	15,407.4	6.0%	18,109.6	17.5%	20,374.5	12.5%	4,359.7	4,396.5	0.8%
Retail Trade													
Motor Vehicle and Auto Parts	19,692.9	3.7%	20,614.6	4.7%	21,190.4	2.8%	21,986.4	3.8%	21,918.4	-0.3%	4,770.6	5,752.6	20.6%
Furniture and Furnishings	3,019.6	5.3%	3,126.0	3.5%	3,265.9	4.5%	3,371.4	3.2%	3,333.6	-1.1%	738.0	865.2	17.2%
Electronics and Appliances	2,534.3	6.1%	2,617.2	3.3%	2,830.3	8.1%	2,956.9	4.5%	2,849.8	-3.6%	649.5	689.7	6.2%
Building Materials/Nurseries	6,800.1	6.7%	7,283.2	7.1%	7,465.8	2.5%	7,413.9	-0.7%	8,891.0	19.9%	1,631.4	2,016.5	23.6%
Food/Beverage Stores	16,798.7	1.1%	17,655.4	5.1%	18,794.5	6.5%	18,927.9	0.7%	20,189.0	6.7%	4,709.4	4,697.7	-0.2%
Health and Personal Care	5,064.2	15.5%	5,355.2	5.7%	5,672.5	5.9%	6,015.3	6.0%	6,734.3	12.0%	1,532.3	1,686.5	10.1%
Gas Stations	4,307.1	-10.6%	4,528.5	5.1%	4,863.8	7.4%	4,556.7	-6.3%	3,957.2	-13.2%	996.4	995.6	-0.1%
Clothing and Accessories	3,843.5	0.9%	3,848.5	0.1%	3,999.7	3.9%	4,413.8	10.4%	3,623.6	-17.9%	788.2	965.0	22.4%
Sporting/Hobby/Books/Music	3,021.7	0.4%	2,879.5	-4.7%	2,960.5	2.8%	3,075.7	3.9%	3,256.0	5.9%	730.9	907.9	24.2%
General Merchandise/Warehouse	13,152.7	0.6%	13,758.0	4.6%	14,387.6	4.6%	14,788.7	2.8%	16,068.0	8.7%	3,560.3	3,967.5	11.4%
Misc Store Retailers	5,767.0	9.7%	6,529.4	13.2%	6,645.2	1.8%	7,214.1	8.6%	7,010.0	-2.8%	1,538.2	1,731.4	12.6%
Non-Store Retailers	2,286.3	31.2%	2,921.3	27.8%	3,279.3	12.3%	5,054.7	54.1%	10,776.8	113.2%	2,117.9	2,818.6	33.1%
Total Retail Trade	86,288.1	3.5%	91,117.0	5.6%	95,355.7	4.7%	99,775.5	4.6%	108,607.7	8.9%	23,762.9	27,094.3	14.0%
Transportation/Warehouse	864.8	-7.1%	944.6	9.2%	1,292.4	36.8%	1,096.3	-15.2%	1,222.5	11.5%	271.9	303.8	11.7%
Information	5,238.6	-3.2%	5,382.5	2.7%	4,971.1	-7.6%	5,819.5	17.1%	4,250.2	-27.0%	978.0	1,083.5	10.8%
Finance/Insurance	2,691.8	0.9%	2,107.9	-21.7%	2,469.4	17.2%	2,761.9	11.8%	3,340.1	20.9%	736.6	1,198.8	62.7%
Real Estate/Rental/Lease	4,573.3	4.2%	4,875.5	6.6%	5,423.2	11.2%	5,907.9	8.9%	5,140.4	-13.0%	1,432.0	1,351.8	-5.6%
Professional/Scientific/Technical	6,644.4	-4.1%	6,794.1	2.3%	7,753.2	14.1%	7,859.6	1.4%	8,634.4	9.9%	1,906.9	1,937.2	1.6%
Admin/Support/Waste/Remediation	2,263.2	0.8%	2,357.8	4.2%	2,384.4	1.1%	2,813.2	18.0%	3,237.8	15.1%	705.7	922.1	30.7%
Education	493.9	0.7%	486.3	-1.5%	500.3	2.9%	434.8	-13.1%	349.9	-19.5%	83.0	113.7	37.0%
Health Care/Social Assistance	6,890.5	-0.1%	7,136.0	3.6%	7,044.5	-1.3%	16,093.3	128.5%	16,236.4	0.9%	4,187.4	3,751.5	-10.4%
Arts/Entertainment/Recreation	1,457.8	9.0%	1,564.5	7.3%	1,650.0	5.5%	1,781.7	8.0%	1,342.6	-24.6%	435.6	390.6	-10.3%
Accommodation	4,338.5	7.3%	4,773.3	10.0%	5,147.4	7.8%	5,771.3	12.1%	3,823.6	-33.7%	1,299.9	1,141.7	-12.2%
Food/Drinking Services	12,280.3	5.7%	13,020.4	6.0%	13,798.6	6.0%	14,511.8	5.2%	11,308.6	-22.1%	3,178.8	3,082.9	-3.0%
Other Services	5,730.4	5.3%	6,182.5	7.9%	6,751.4	9.2%	6,924.2	2.6%	6,438.5	-7.0%	1,639.9	1,654.5	0.9%
Government	307.2	12.4%	363.7	18.4%	388.6	6.8%	351.2	-9.6%	380.3	8.3%	85.8	105.8	23.3%
Total All Industries	184,703.4	1.0%	194,642.0	5.4%	206,121.0	5.9%	224,618.9	9.0%	228,812.2	1.9%	53,262.9	56,470.5	6.0%

Note: Reporting for 2019 and future years reflect new sourcing that may cause variations in the data reported from previous years.

Source: Colorado Department of Revenue.

Tourism

The following table provides visitor counts for the State's national parks and major recreation areas, Denver area convention attendance figures, and visitor counts for Colorado ski areas.

Colorado Tourism Statistics Conventions¹

	National Parks Visits ²		Conventions		Delegates		Spending		Skier Visits ³	
	Number (millions)	% Change	Number	% Change	Number (thousands)	% Change	Amount (millions)	% Change	Number (millions)	% Change
2016	7.46	--	66	--	242.7	--	\$543.4	--	13.39	--
2017	7.62	2.1%	84	27.3%	235.6	-2.9%	\$518.6	-4.6%	13.12	-2.0%
2018	7.57	-0.7	67	-20.2	269.4	14.4	\$560.6	8.1	12.81	-2.4
2019	7.76	2.6	80	19.4	254.1	-5.7	\$555.3	-0.9	13.80	7.7
2020	6.03	-22.2	12	-85.0	65.0	-74.4	\$131.0	-76.4	11.37	-17.6

¹ Count of recreational visitors for the State's National Parks Service territories, which include national parks, monuments, historic sites, and recreation areas.

² Includes only those conventions booked by VISIT DENVER and held at the Colorado Convention Center.

^{3,4} Count of skier visits for the season ending in the referenced year. 2019-20 skier visits estimated by Development Research Partners.

Sources: National Parks Service; VISIT DENVER, The Convention and Visitor's Bureau; Colorado Ski Country USA; Vail Resorts, Inc.

Residential Housing Starts

The following table provides a five-year history of the State's residential building permit issuance.

New Privately Owned Housing Units Authorized in Colorado

	1 Unit	2 Units	3 & 4 Units	5+ Units	Total Building Permits	% Change
2016	21,577	556	242	16,599	38,974	22.3%
2017	24,338	344	415	15,576	40,673	4.4
2018	26,134	374	414	15,705	42,627	4.8
2019	24,756	352	370	13,155	38,633	-9.4
2020	26,636	728	397	12,708	40,469	4.8
Year-to-Date Totals Through April:						
2020	8,955	60	169	3,919	13,103	
2021	11,900	252	115	6,212	18,479	
% change	32.9%	320.0%	-32.0%	58.5%	41.0%	

Source: U.S. Census Bureau.

Residential Foreclosures

The following table provides a five-year history of foreclosure filings and sales in Colorado. The foreclosure filing is the event that begins the foreclosure process. In general, a borrower who is at least three months delinquent will receive a filing notice from the Public Trustee for the county in which the property is located. At this point, the property is in foreclosure.

Because a foreclosure filing can be cured or withdrawn before the home is sold at auction, not all filings result in foreclosure sales. Foreclosure sales at auction generally proceed between 110 and 125 days after the initial filing. Once a foreclosure sale is completed, the eviction process begins.

Foreclosure Filings and Sales in Colorado

	Foreclosure Filings¹	% Change	Foreclosure Sales at Auction	% Change
2016	7,666	--	3,128	--
2017	6,680	-12.9%	2,100	-32.9%
2018	5,884	-11.9	1,461	-30.4
2019	5,610	-4.7	1,316	-9.9
2020	2,130	-62.%	628	-52.%

¹ Some filings may have been subsequently cured or withdrawn and may not have resulted in sales at auction.

Source: Colorado Division of Housing.

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APPENDIX J

STATE PENSION SYSTEM

The information included in this APPENDIX is based on information compiled and presented in the Public Employees' Retirement Association ("PERA") Comprehensive Annual Financial Report for the Plan Year ended December 31, 2020 (the "PERA 2020 Annual Report"). The PERA 2020 Annual Report was prepared by PERA staff employees and the firm of Segal Consulting, 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 Notices on the inside cover page of 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. Further, the PERA 2020 Annual Report notes that the duration and full effects of the COVID-19 pandemic are currently unknown, as the global picture continues to evolve, and that although unprecedented federal fiscal and monetary stimulus have helped to stabilize and soften the impact of economic contraction, the near-term negative impact on PERA'S investment portfolio, as well as the short medium term impact on PERA'S membership and demographics, remains uncertain. The State does not take any responsibility for the accuracy, validity or completeness of such information, valuations and assessments. The PERA 2020 Annual Report is not incorporated in this Official Statement by reference or otherwise, and the State does not make any representations regarding the accuracy of the information in the PERA 2020 Annual Report.

The information in the State's Fiscal Year 2019-20 ACFR regarding PERA is derived from the PERA Comprehensive Annual Financial Report for the Plan Year ended December 31, 2020, while the information in this Official Statement regarding PERA is derived from the PERA 2020 Annual Report.

General Description

Overview. The State, 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 (generally for State employees) (the "State Division"), the School Division Trust Fund (for employees of school districts, other than for Denver County School District No. 1 (commonly known as Denver Public Schools), the Local Government Division Trust Fund (for employees of numerous municipalities and other local governmental entities), the Judicial Division Trust Fund (for judges in the State) and the Denver Public Schools Division (for employees of Denver Public Schools). 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 the amounts of 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, in lieu of participating in the State Division Plan, elect 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. The State has no obligation to make contributions or fund benefits in Divisions other than the State Division and Judicial Division of PERA. See Notes 1 and 8 to the financial statements in the PERA 2020 Annual Report 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's Fiscal Year 2019-20 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 disclosure in "STATE FINANCIAL INFORMATION—Pension and Other Post-Employment Benefits" in the forepart of this Official Statement and in this APPENDIX 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 School Division, the Local Government Division, the Judicial Division and the Denver Public Schools 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 post-employment 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 of 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 such 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's Fiscal Year 2019-20 ACFR appended to this Official Statement, the PERA 2020 Annual Report 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 2020 Annual Report for various statistics regarding members, retirees, survivors and benefit payments for the State Division Plan.

Implementation by PERA of GASB 67

In 2012, GASB issued 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, 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, and, accordingly, PERA implemented GASB 67 beginning with its Comprehensive Annual Financial Report for the Plan Year ended December 31, 2014.

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 related statement, GASB Statement No. 68, “Accounting and Financial Reporting for Pensions,” applies to governmental employers and was implemented by the State beginning with the State’s Fiscal Year 2014-15 Annual Report. See “—Implementation of Changes in Pension Accounting Standards Applicable to the State—GASB 68 and GASB 75” below.

GASB 67 establishes a shift in financial disclosure requirements from a funding-based approach to an accounting-based approach. Implementation of GASB 67 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 purposes emphasizes the obligation an employer incurs to employees through the employment-exchange process. The primary purpose of the valuation for accounting purposes is 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 this new 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 liability¹ (“UAAL”). Net pension liability is to be measured as the total pension liability² of the plan less the amount of the plan’s fiduciary net position³.

Another major change in the new standard is the rate used to discount projected benefit payments. The new 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 from that point forward the plan will be required to discount the projected benefit payments after the crossover point using 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).

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

¹ Unfunded actuarial accrued liability is the difference between the actuarial accrued liability, or “AAL” (being the excess of the present value of a pension fund’s total of future benefits (payable to the plan participants) and fund administration expenses over the present value of the future normal cost of those benefits), over the valuation assets of the fund.

² 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.

³ 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.

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 expectations and new estimates are made 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 Plan compared to actuarial liabilities, compare past and future trends and determine the net pension liability of the Plan. The actuarial valuation for funding purposes applies an asset valuation method that recognizes a four-year smoothed market value of assets for purposes of determining the UAAL, while the actuarial valuation for accounting and financial reporting purposes applies the fair value of assets (determined in conformity with GASB standards) to determine the net pension liability. See the Actuarial Section of the PERA 2020 Annual Report for a discussion of other actuarial methods and assumptions used in the actuarial valuations of the State Division Plan.

The PERA 2020 Annual Report states that the PERA Board studies all economic and demographic actuarial assumptions at least every five years and approves changes to those assumptions. Recently, the PERA Board has reviewed the economic assumptions on a more frequent basis. The PERA Board last completed an experience study in 2016.

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 Plan. Variances between the assumptions and actual results may cause an increase or decrease in the actuarial value of Plan assets, the net pension liability of the Plan and other valuation and performance measures determined on the basis of such actuarial valuations.

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 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.

Effective July 1, 2019, the baseline SRC that is required to be made by the State for most State employees was increased from 10.15% to 10.40% of includable compensation (from 12.85% to 13.10% for State Troopers and Colorado Bureau of Investigation ("CBI") agents). Effective July 1, 2020, the baseline SRC that is required to be made by the State for most State employees was increased from 10.40% to 10.90% of includable compensation (from 13.10% to 13.60% for State Troopers and Colorado Bureau of Investigation ("CBI") agents). As required by statute, participants in the State Division Plan are also required to contribute a portion of their wages to the Plan. Per S.B. 18-200 discussed in the next paragraph, the participant contribution rate is to increase incrementally a total of 2% over a period of three years commencing July 1, 2019, which resulted in an increase in the member contribution rate effective July 1, 2020, from 8.75% to 10.00% of includable compensation (from 10.75% to 12.00% of includable compensation for State Troopers and CBI agents). See the PERA 2020 Annual Report 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 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. As of July 1, 2020, the AED and SAED rates applicable to the State Division Plan were each 5.0%, and the total SRC applicable to the State Division Plan (net of 1.02% apportioned to the Health Care Trust Fund per the PERA Act) was 20.90% of employee wages (23.60% for State Troopers and CBI agents). In addition, S.B. 18-200, enacted by the General Assembly in 2018, provides for automatic adjustments to employee and employer contribution rates within certain statutory parameters 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. S.B. 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's Fiscal Year 2019-20 ACFR appended to this Official Statement, as well as the Management's Discussion and Analysis and Note 4 to the financial statements in the PERA 2020 Annual Report.

S.B. 18-200 further requires the State to make an annual direct distribution to PERA of \$225 million (actual dollars) from State funds beginning in Fiscal Year 2018-19 and continuing annually on July 1 until there are no unfunded actuarial accrued liabilities in the trust fund of any Division that receives such distribution. PERA is to allocate the distribution to the State Division Trust Fund, the School Division Trust Fund, the Judicial Division Trust Fund and the Denver Public Schools Division Trust Fund based upon the covered payroll of each such Division. *Per H.B. 20-1379, due to the actual and forecast impact of COVID-19 on the State's revenues in Fiscal Years 2019-20 and 2020-21, this distribution was originally suspended for Fiscal Year 2020-21 only, and thus PERA did not receive a direct distribution from the State until the payment scheduled for July 1, 2021. However, a committee of the General Assembly announced in October 2021 that it intended to introduce legislation in the 2022 session to reinstate the missed distribution.*

Changes to the statutorily required contributions to the State Division Plan by the State and its employees, or to other provisions of the Plan, could be made by the General Assembly through future legislative action, which changes could impact the SRC, the funding status and/or the financial condition of the Plan as described herein. The State cannot predict if or when any such legislative changes might be enacted or the impact that any such changes, if enacted, might have on the State Division Plan or the State's funding obligations with respect to the 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 contribution¹, or “ARC,” as a funding benchmark by PERA was no longer required. Rather, this philosophical shift necessitated 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 new GASB 67 standards, the PERA Board adopted a revised pension funding policy in March 2015 (and last revised in November 2018) with regard to its trust funds. The purpose of the revised funding policy, as stated in the PERA 2020 Annual Report, is to: (i) define the overall funding benchmarks of PERA’s defined benefit pension trust funds; (ii) assess the adequacy of the contribution rates which are set by the General Assembly by comparing these rates to an ADC rate; and (iii) define the annual actuarial metrics that will assist the PERA Board in assessing the sustainability of the plan. The results of these three items are intended to guide the PERA Board when considering whether to pursue or support proposed legislation pertaining to changes in plan contribution and/or benefit provisions. See “—Statutorily Required Contributions” above.

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, 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.

The ADC rates, as a percentage of covered payroll, used to determine the ADC amounts in Table 1 below are calculated as of December 31 two years prior to the end of the year in which the ADC amounts are reported. The following actuarial methods and assumptions from the December 31, 2017, actuarial valuation were used to determine contribution rates reported in the table for the year ended December 31, 2020: (i) the actuarial cost method is based on the entry age of participants; (ii) the Plan’s amortization period is based on a level percent of payroll over a 30-year closed period layered 27 years; (iii) for valuation purposes the actuarial value of assets is based on gains and losses smoothed in over a four-year period as permitted by GASB standards; (iv) price inflation is assumed to be 2.40%; (v) real wage growth is assumed to be 1.10%; (vi) salary increases (including assumed wage inflation of 3.50%) are projected to range from 3.50% to 10.45%; (vii) the long-term investment rate of return (net of pension plan investment expense, including price inflation) is assumed to be 7.25%; and (viii) cost of living adjustments for pre-2007 hires are assumed to be 1.50% per year and cost of living adjustments for post-2006 hires are assumed to be financed by the Annual Increase Reserve described in footnote 2 to the table. Other assumptions include, without limitation, future retiree participation and contribution rates and mortality rates. For further

¹ Prior to 2014, PERA used the ARC as a funding benchmark against which to gauge the adequacy of the SRC for the State Division Plan. The ARC is the actuarially determined 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 and the SRC constitutes either a contribution deficiency or excess contributions. For historical information regarding the ARC, see PERA’s Comprehensive Annual Financial Report for calendar year 2013.

information, see Note 3 to the required supplementary information for the Division trust funds and the Actuarial Section in the PERA 2020 Annual Report.

Table 1
Employer Contributions
State Division
(Dollar Amounts in Thousands)

Calendar Year	ADC Rate ¹	Covered Employee Payroll	Annual Increase Reserve Contribution ²	ADC Contribution ³	Contributions in Relation to the ADC	Annual Contribution Deficiency	Actual Contribution as a Percentage of Covered Employee Payroll
2020	23.69%	\$3,089,161	\$19,442	\$751,264	\$646,386	\$104,878	20.92%
2019	23.28	2,995,453	17,663	715,004	689,370	25,634	23.01
2018	26.30	2,898,827	15,919	778,311	661,653	116,658	22.82
2017	22.71	2,774,207	14,355	644,377	563,977	80,400	20.33
2016	22.31	2,710,651	12,838	617,584	521,804	95,780	19.25
2015	22.35	2,641,867	11,400	601,857	484,005	117,852	18.32
2014	20.45	2,564,670	9,984	534,459	444,372	90,087	17.33
2013	20.01	2,474,965	—	495,241	393,218	102,023	15.89
2012	16.52	2,384,934	—	393,991	328,055	65,936	13.76
2011	13.63	2,393,791	—	326,274	277,122	49,152	11.58

¹ See the discussion preceding this table regarding the actuarial methods and assumptions used in determining the ADC rates.

² The Annual Increase Reserve, or “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 100% of pensionable payroll and through an allocation of purchase of service dollars. For further information see the PERA 2020 Annual Report.

³ The ADC contribution equals the sum of (a) the ADC rate times the covered employee payroll, plus (b) the AIR.

Source: PERA 2020 Annual Report

For historical information regarding employer contributions based on the ARC, see PERA’s Comprehensive Annual Financial Report for calendar year 2013 and Note 6 to the State’s Fiscal Year 2019-20 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 Plan design by S.B. 10-001, all in an effort to improve the funding status of the State Division Plan. However, investment returns on Plan assets declined following the global economic downturn that began in 2008. As a result, the actuarial assumptions as to the investment rate of return on Plan assets and the discount rate on actuarially accrued liabilities were lowered by the PERA Board from 8.50% to 8.00% in 2009, to 7.50% at the end of 2013 and to 7.25% as of December 31, 2017, and other economic assumptions, including the amortization period, were changed over this period as well, to reflect actual results and new estimates about the future. Notwithstanding these changes, PERA reported that at December 31, 2016, the State Division Plan a UAAL of approximately \$11.644 billion and a funded ratio (i.e., the actuarial value of Plan assets divided by the AAL) of only 54.6%, which UAAL would have amortized over a 65-year period based on contribution rates as of the date of calculation.

In order to address the funding status of PERA's defined benefit plans, including the State Division Plan, in 2018 the General Assembly enacted S.B. 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. Among other things, S.B. 18-200 phases-in a 2% increase in contribution rates for most employees, suspended the cost of living adjustment for retirees through 2019, changes the definition of salary and highest average salary, reduces maximum annual cost of living adjustments, adjusts employee and employer contribution rates, funds unfunded PERA liability from political subdivisions that terminate their affiliation with PERA and provides for a direct annual distribution to PERA from the State General Fund of \$225 million (actual dollars) beginning with Fiscal Year 2018-19, although, per H.B. 20-1379, due to the actual and forecast impact of the COVID-19 pandemic on the State's revenues in Fiscal Years 2019-20 and 2020-21, this distribution was suspended for Fiscal Year 2020-21, as discussed in "—Funding of the State Division Plan—Statutorily Required Contributions" above. However, a committee of the General Assembly announced in October 2021 that it intended to introduce legislation in the 2022 session to reinstate the missed distribution. S.B. 18-200 also provides for automatic adjustments to 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 within the 30-year funding goal. Previously, such adjustments required action by the General Assembly. For further information regarding S.B. 18-200, see Note 6 to the State's Fiscal Year 2019-20 ACFR appended to this Official Statement and the PERA 2020 Annual Report.

The PERA 2020 Annual Report reports that, at December 31, 2020, the actuarial value of assets of the State Division Plan was approximately \$16.039 billion and the AAL of the Plan was approximately \$27.116 billion, resulting in a UAAL of approximately \$11.077 billion, a funded ratio of 59.1% and an amortization period, both before and after consideration of H.B. 20-1379, of 27 years¹. The actuarial value of assets of the State Division Plan is determined by using an asset valuation method of smoothing the difference between the market value of assets and the actuarial value of assets over a four-year period 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, the PERA 2020 Annual Report reports that at December 31, 2020, the UAAL of the Plan was approximately \$9.457 billion and the funded ratio was 65.1%.

For further information, see Management's Discussion and Analysis in the State's Fiscal Year 2019-20 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 2020 Annual Report.

Table 2 below sets forth for each of the past ten years the UAAL, the funded ratio and related information for the State Division Plan based on the actuarial value of Plan assets, and Table 3 below sets forth such information based on the market value of Plan assets.

The actuarial valuation for funding purposes in the PERA 2020 Annual Report was performed as of December 31, 2020, and the actuarial valuation for accounting and financial reporting purposes in the PERA 2020 Annual Report was performed as of December 31, 2019, and the total pension liability was

¹ 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 the Plan, allow a greater proportion of the State's contribution to the Plan to be used to amortize the unfunded liability and increase future contributions to the Plan in order to accelerate the amortization of the UAAL. However, utilizing the assumptions specified in the PERA 2020 Annual Report, PERA's independent actuary projects that the goal of funding 100% of the AAL under the PERA revised benefit structure created by S.B. 18-200 is achievable within a projection period of 24 years, and that the State Division Plan is projected to be 100% funded in 22 years. For further information, see the Actuarial Section of the PERA 2020 Annual Report.

rolled forward to the measurement date of December 31, 2020, utilizing generally accepted actuarial techniques.

When calculating the AAL of the State Division Plan in Tables 2 and 3 below, the following actuarial methods, assumptions and inputs, among others, were used: (i) price inflation is assumed to be 2.40%; (ii) real wage growth is assumed to be 1.10%; (iii) salary increases (including assumed wage inflation of 3.50%) are projected to range from 3.50% to 9.17%; (iv) the long term investment rate of return (net of pension plan investment expense, including price inflation) and discount rate are assumed to be 7.25%; and (v) cost of living adjustments for pre-2007 hires are assumed to be 0% through 2019 and 1.25% per year compounded annually thereafter, and cost of living adjustments for post 2006 hires are assumed to be financed by the AIR. Other assumptions include, without limitation, future retiree participation and contribution rates and mortality rates. For further information, see Note 10 to the financial statements and the Actuarial Section in the PERA 2020 Annual Report.

Table 2
Historical Funding Progress of State Division Plan
Actuarial Value of Plan Assets
(Dollar Amounts in Thousands)

Valuation Date (December 31)	Actuarial Value of Plan Assets*	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Employer Payroll	UAAL as a Percentage of Employer Payroll
2020	\$16,039,287	\$27,116,805	\$11,077,518	59.1%	\$3,089,161	358.6%
2019	14,922,050	25,717,648	10,795,598	58.0	2,995,453	360.4
2018	14,303,726	25,509,852	11,206,126	56.1	2,898,827	386.6
2017	14,256,410	24,782,085	10,525,675	57.5	2,774,207	379.4
2016	14,026,332	25,669,916	11,643,584	54.6	2,710,651	429.5
2015	13,882,820	24,085,671	10,202,851	57.6	2,641,867	386.2
2014	13,523,488	23,408,321	9,884,833	57.8	2,564,670	385.4
2013	13,129,460	22,843,725	9,714,265	57.5	2,474,965	392.5
2012	12,538,675	21,191,495	8,652,820	59.2	2,384,934	362.8
2011	12,010,045	20,826,543	8,816,498	57.7	2,393,791	368.3

* The actuarial value of Plan assets is based on gains and losses smoothed in over a four-year period as permitted by GASB standards.
Source: PERA 2020 Annual Report

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Table 3
Historical Funding Progress of State Division Plan
Market Value of Plan Assets
(Dollar Amounts in Thousands)

Valuation Date (December 31)	Market Value of Plan Assets*	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Employer Payroll	UAAL as Percentage of Employer Payroll
2020	\$17,660,157	\$27,116,805	\$9,456,648	65.1%	\$3,089,161	306.1%
2019	15,819,843	25,717,648	9,897,805	61.5	2,995,453	330.4
2018	13,837,863	25,509,852	11,671,989	54.2	2,898,827	402.6
2017	15,105,378	24,782,085	9,676,707	61.0	2,774,207	348.8
2016	13,538,772	25,669,916	12,131,144	52.7	2,710,651	447.5
2015	13,391,398	24,085,671	10,694,273	55.6	2,641,867	404.8
2014	13,956,630	23,408,321	9,451,691	59.6	2,564,670	368.5
2013	13,935,754	22,843,725	8,907,971	61.0	2,474,965	359.9
2012	12,766,459	21,191,495	8,425,036	60.2	2,384,934	353.3
2011	12,001,770	20,826,543	8,824,773	57.6	2,393,791	368.7

* The market value of Plan assets is the fair value of the assets determined in conformity with GASB standards. See the Investment Section of the PERA 2020 Annual Report.

Source: PERA Comprehensive Annual Financial Reports for calendar years 2011 through 2020.

Since contribution rates to the State Division Plan are fixed by statute, unless changes are made to such rates or changes are made to Plan provisions to reduce benefit payments, improvements in the funding status of the State Division Plan are expected to come primarily from increases in investment returns on Plan assets or changes in the actuarial assumptions used to determine the value of Plan assets and the AAL. Changes to contribution rates or other Plan provisions, or the use of alternative Plan funding strategies, would require legislative action by the General Assembly, of which there can be no assurance.

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Fiduciary Net Position of the State Division Plan

The Statement of Fiduciary Net Position of the State Division Plan as of December 31, 2020, is included in PERA's basic financial statements set forth in the Financial Section of the PERA 2020 Annual Report. The following table sets forth for each of the past ten years the changes in fiduciary net position of the State Division Plan.

Table 4
Changes in Fiduciary Net Position
State Division
(Cash Basis; Dollar Amounts in Thousands)

	For the Year Ended December 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Additions:										
Employer contributions	\$ 646,386	\$ 612,282	\$ 583,164	\$ 563,977	\$ 521,804	\$ 484,005	\$ 444,372	\$ 401,658	\$ 335,073	\$ 283,222
Nonemployer contributions	-	77,088	78,489	-	-	-	-	-	-	-
Member contributions	298,264	257,803	236,313	228,978	223,005	217,980	211,610	202,799	227,058	258,678
Purchased service	28,522	29,494	25,227	27,442	24,528	26,946	22,446	22,241	16,358	11,277
Net investment income (loss)	2,652,870	2,764,719	(497,562)	2,391,683	947,981	210,337	780,762	1,931,658	1,511,244	232,669
Other	9,390	22	7,888	15,860	8,708	5,023	3,289	4,869	150	331
Total Additions	3,635,432	3,741,408	433,519	3,227,940	1,726,026	944,291	1,462,479	2,563,225	2,089,883	786,177
Deductions:										
Benefit payments	1,675,048	1,637,168	1,608,534	1,554,290	1,483,828	1,417,862	1,352,293	1,295,780	1,231,922	1,174,707
Refunds	57,921	61,832	65,253	58,696	60,137	63,567	61,152	68,735	69,221	70,090
Disability insurance premiums	1,360	1,965	2,093	2,035	2,106	2,088	2,309	2,229	1,570	1,685
Administrative expenses	11,385	11,294	11,903	11,745	11,271	10,779	10,067	9,780	8,568	8,685
Other	2,634	2,707	3,017	3,652	3,040	3,406	3,171	3,593	3,911	(4,546)
Total Deductions	1,748,348	1,714,966	1,690,800	1,630,418	1,560,382	1,497,702	1,428,992	1,380,117	1,315,192	1,250,621
Change in fiduciary net position	1,887,084	2,026,442	(1,257,281)	1,597,522	165,644	(553,411)	33,487	1,183,108	774,691	(464,444)
Fiduciary net position held at beginning of year	15,992,863	13,966,421	15,223,702	13,626,180	13,460,536	14,013,947	13,980,460	12,797,352	12,022,661	12,487,105
Fiduciary net position held at end of year	\$17,879,947	\$15,992,863	\$13,966,421	\$15,223,702	\$13,626,180	\$13,460,536	\$14,013,947	\$13,980,460	\$12,797,352	\$12,022,661

Source: PERA 2020 Annual Report

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 for the years 2014-2020 the net pension liability and related information regarding the State Division Plan. The required supplemental information in the PERA 2020 Annual Report includes a schedule showing the sources of the changes in net pension liability for 2014-2020. See also “—Implementation of Changes in Pension Accounting Standards Applicable to the State—GASB 68” hereafter.

Table 5
Net Pension Liability
State Division^{1,2}
(Dollar Amounts in Thousands)

	For the Year Ended December 31,						
	2020	2019	2018	2017	2016	2015	2014
Total pension liability ^{3,4}	\$27,364,740	\$25,696,667	\$25,345,094	\$35,241,684	\$31,994,311	\$23,991,569	\$23,420,461
Plan fiduciary net position	17,879,947	15,992,863	13,966,421	15,223,702	13,626,180	13,460,536	14,013,947
Net pension liability	<u>9,484,793</u>	<u>\$ 9,703,804</u>	<u>\$11,378,673</u>	<u>\$20,017,982</u>	<u>\$18,368,131</u>	<u>\$10,531,033</u>	<u>\$ 9,406,514</u>
Net pension liability as a percentage of total pension liability	65.34						
		62.24%	55.11%	43.20%	42.59%	56.11%	59.84%
Covered employee payroll	\$3,089,161	\$ 2,995,453	\$2,898,827	\$2,774,207	\$2,710,651	\$ 2,641,867	\$ 2,564,670
Net pension liability as a percentage of covered employee payroll	307.03%	323.95%	392.53%	721.57%	677.63%	398.62%	366.77%

¹ Information for years prior to 2013 is not available.

² 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 S.B. 18-200 are not reflected in this table for years 2013-2017.

³ The total pension liability as of December 31, 2019, was determined by actuarial valuations as of December 31, 2018, and accepted actuarial procedures were applied to roll-forward the total pension liability to December 31, 2019. The actuarial valuations as of December 31, 2018, used the key actuarial methods, assumptions or other inputs discussed in “Funding Status of the State Division Plan” above, except that the fair value (or market value) of assets, rather than a four-year smoothed market value of assets, was used to determine the net pension liability.

⁴ The decrease in the total pension liability at 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.

Source: PERA 2020 Annual Report

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 investment trust shares, corporate stocks, corporate bonds and convertible debentures cannot exceed 65% of the book value of the fund.
- Neither common nor preferred stock of a single corporation can exceed 5% of the book value of the fund.
- The fund cannot acquire more than 12% of the outstanding stocks or bonds of a single corporation.

See Note 5 to the financial statements and the Investment Section of the PERA 2019 Annual Report 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 Statement No. 68, “Accounting and Financial Reporting for Pensions” (“GASB 68”) is a GASB pronouncement that is related to GASB 67 and applicable to governmental entities, such as the State, that provide their employees with pension benefits. GASB 68 is effective for fiscal years beginning after June 15, 2014, and accordingly has been implemented beginning with the State’s Fiscal Year 2014-15 ACFR. GASB 68 revises and establishes new 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 Table 2 in this APPENDIX for the UAAL of the State Division Plan for the past ten years as set forth in the PERA 2019 Annual Report.

The State reported a net pension liability in the State’s Fiscal Year 2019-20 ACFR of approximately \$11.285 billion at June 30, 2020, compared to a reported net pension liability in the State’s Fiscal Year 2018-19 ACFR of approximately \$13.531 billion at June 30, 2019. The amounts presented for each Division were determined as of the calendar year-end that occurred within the Fiscal Year. See also Note 6 to the State’s Fiscal Year 2019-20 ACFR appended to this Official Statement for a description of the methodology utilized to determine these amounts.

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 State’s Fiscal Year 2019-20 ACFR appended to this Official Statement, and additional information concerning the proportionate share calculation can be found in Note 6 of the State’s Fiscal Year 2019-20 ACFR.

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The State's proportionate share of the net pension liability at the end of calendar years 2013-2018 in accordance with requirements of GASB 68 is set forth in the following table.

Table 6
State's (Primary Government's) Proportionate
Share of the Net Pension Liability¹
(Dollar Amounts in Thousands)

	<u>State Division</u>					
	Calendar Year					
	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability	95.49%	95.95%	95.37%	95.49%	95.71%	95.85%
State's proportionate share of net pension liability	\$9,265,778	\$10,918,046	\$19,091,149	\$17,539,728	\$10,079,252	\$9,016,144
State's covered payroll	\$3,376,294	\$3,262,962	\$2,796,014	\$2,751,094	\$2,687,152	\$2,586,800
State's proportionate share of the net pension liability as a percentage of its covered payroll	274.44%	334.61%	682.80%	637.55%	375.09%	348.54%
Plan fiduciary net position as a percentage of the total pension liability	62.24%	55.11%	43.20%	42.59%	56.11%	59.84%
	<u>Judicial Division</u>					
	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability	94.28%	94.91%	93.99%	94.17%	93.98%	93.60%
State's proportionate share of net pension liability	\$85,727	\$134,072	\$218,136	\$239,423	\$172,824	\$129,499
State's covered payroll	\$55,934	\$55,706	\$46,764	\$46,320	\$44,159	\$40,114
State's proportionate share of the net pension liability as a percentage of its covered payroll	153.27%	240.68%	466.46%	516.89%	391.37%	322.83%
Plan fiduciary net position as a percentage of the total pension liability	80.02%	68.48%	58.70%	53.19%	60.13%	66.89%

¹ The amounts presented for each Fiscal Year were determined as of the calendar year-end that occurred within the Fiscal Year and were calculated as described in Note 6 to the Financial Statements and Note RSI-2 to the Required Supplementary Information in the State's Fiscal Year 2018-19 ACFR appended to this Official Statement.

Source: State Fiscal Year 2019-20 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's Fiscal Year 2019-20 ACFR appended to this Official Statement. See also "Overall Financial Position and Results of Operations" in the Management's Discussion and Analysis and Notes 1 and 6-8 to the Financial Statements in the State's Fiscal Year 2019-20 ACFR.

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 2021S 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 2021S Certificates.

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APPENDIX K

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 2021S 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 2021S Certificates, (iv) any consent given or other action taken by DTC or its nominee as the owner of Series 2021S Certificates or (v) any other related matter.

DTC will act as securities depository for the Series 2021S Certificates. The Series 2021S 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 Series 2021S Certificate for each maturity of the respective Series of 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 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 2021S Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021S 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 2021S 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 certificates representing their ownership interests in the Series 2021S Certificates except in the event that use of the book-entry system for the Series 2021S Certificates is discontinued.

To facilitate subsequent transfers, all Series 2021S 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 2021S Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021S Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021S 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 2021S Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021S Certificates, such as redemptions, defaults and proposed amendments to the Indenture. For example, Beneficial Owners of Series 2021S Certificates may wish to ascertain that the nominee holding the Series 2021S 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 2021S 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 2021S Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Series 2021S 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 2021S 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 2021S 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 2021S Certificate certificates are required to be printed and delivered to the appropriate registered owners of the Series 2021S 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 2021S Certificates. In that event, Series 2021S Certificate certificates will be printed and delivered to DTC.

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