

TAX COMPLIANCE CERTIFICATE

[\$[PAR]

**State of Colorado, Department of Higher Education, by State Board for
Community Colleges and Occupational Education
Systemwide Revenue Refunding Bonds
Series 2012A**

1. In General.

1.1 The undersigned is the [Chair of the] State Board for Community Colleges and Occupational Education (the “Board”), and hereby certifies to the statements contained herein.

1.2 This Tax Compliance Certificate (this “Tax Compliance Certificate”) is executed for the purpose of establishing the reasonable expectations of the Board as to future events regarding \$[PAR] aggregate principal amount of the Board’s Systemwide Revenue Refunding Bonds, Series 2012A (the “Series 2012A Bonds”) issued under the Master Resolution adopted by the Board on December 9, 2009 (the “Master Resolution”), as supplemented including by the Third Supplemental Resolution adopted by the Board on December 14, 2011 (the “Third Supplemental Resolution,” and together with the Master Resolution, the “Bond Resolution”). The Board has not been notified of any listing or proposed listing of the Board by the Internal Revenue Service as an issuer that may not certify its bonds. The Board’s reasonable expectation that the Series 2012A Bonds are not “arbitrage bonds” is based upon Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations thereunder (the “Regulations”).

1.3 The factual representations contained in this Tax Compliance Certificate are true and correct and, to the best of the knowledge, information and belief of the undersigned, the expectations contained in this Tax Compliance Certificate are reasonable.

1.4 The undersigned is an officer of the Board to whom the responsibility of issuing and delivering the Series 2012A Bonds has been delegated.

1.5 Certifications with respect to the structuring of the Series 2012A Bonds and the price and yield calculations referenced in Sections 3 and 8 hereof are based on representations made by BD Advisors, LLC as Financial Advisor to the Board (the “Financial Advisor”) and by [UNDERWRITER], as underwriter of the Series 2012A Bonds (the “Underwriter”), each contained in Exhibits A-1 and A-2 hereto. The Board is not aware of any facts or circumstances that would cause it to question the accuracy of any of the representations made by the Financial Advisor or the Underwriter.

1.6 The restrictions contained in this Tax Compliance Certificate shall apply to the investment and the expenditure of the amounts described herein unless the Board receives an opinion of Bond Counsel to the effect that an amendment to such restrictions will not adversely affect the exclusion of interest on the Series 2012A Bonds from the gross income of the recipients thereof for federal income tax purposes.

1.7 Terms used, but not defined, herein shall have the meanings ascribed to such terms in the Bond Resolution. The following words and phrases shall have the following meanings:

“*Abusive Arbitrage Device*” means any action which has the effect of (a) enabling the Board to exploit the difference between taxable and tax-exempt interest rates to obtain a material financial advantage; and (b) overburdening the tax-exempt bond market as more particularly set forth in Section 1.148-10 of the Regulations.

“*Accounting Method*” means both the overall method used to account for the Gross Proceeds of the Series 2012A Bonds (e.g., the cash method or a modified accrual method) and the method used to account for or allocate any particular item within that overall accounting method (e.g., accounting for Investments, Expenditures, allocations to and from different sources and particular items of the foregoing).

“*Average Economic Life*” means the average reasonably expected remaining economic life of the Refunded Projects as defined in Section 147(b) of the Code.

“*Average Maturity*” means the weighted average maturity of the Series 2012A Bonds as defined in Section 147(b) of the Code.

“*Bond Counsel*” means a law firm of nationally recognized bond counsel who is requested to deliver its approving opinion with respect to the issuance of and the exclusion from federal income taxation of interest on the Series 2012A Bonds.

“*Bond Year*” means the twelve-month period commencing on November 2 of each calendar year and terminating on November 1 of the immediately succeeding calendar year during the term of the Series 2012A Bonds, and the first Bond Year shall commence on the Date of Issuance of the Series 2012A Bonds and end on November 1, 2012 (unless a different period is required by the Regulations or selected by the Board after the Date of Issuance).

“*Bond Yield*” means the Yield of the Series 2012A Bonds calculated in accordance with Section 1.148-4 of the Regulations.

“*Capital Expenditure*” means any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Section 1.150-2(c) of the Regulations) under general federal income tax principles. For example, costs incurred to acquire, construct or improve land, buildings and equipment generally are Capital Expenditures. Whether an Expenditure is a Capital Expenditure is determined at the time the Expenditure is paid with respect to the property. Future changes in law do not affect whether an Expenditure is a Capital Expenditure.

“*Capital Project*” means all Capital Expenditures, plus related working capital expenditures to which the de minimis rule under Section 1.148-6(d)(3)(ii)(A) of the Regulations applies, that carry out the governmental purpose of an issue. For example, a Capital Project may include Capital Expenditures for one or more building improvements or equipment, plus related start-up operating costs and capitalized interest through the placed-in-service date for the Capital Project.

“*Class of Investments*” means one of the following, each of which represents a different Class of Investments:

- (a) each category of yield restricted Purpose Investment and program investment, as defined in Section 1.148-1(b) of the Regulations, that is subject to a different definition of materially higher Yield under Section 1.148-2(d)(2);
- (b) yield restricted Nonpurpose Investments; and
- (c) all other Nonpurpose Investments.

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

“*Computation Date*” means an Installment Computation Date or the Final Computation Date.

“*Computation Date Credit*” means on the last day of each Bond Year during which there are Gross Proceeds subject to the rebate requirements, and on the Final Computation Date, the amount of \$[_____]. The foregoing amount is applicable for calendar year 2012 and is subject to an annual cost-of-living increase in accordance with Prop. Treas. Reg. 1.148-3(d)(4).

“*Consistently Applied*” means applied uniformly within a fiscal period and between fiscal periods to account for Gross Proceeds of an issue and any amounts that are in a commingled fund.

“*Costs of Issuance*” means all costs incurred in connection with the issuance of the Series 2012A Bonds, other than Qualified Guarantee Fees. Examples of Costs of Issuance include (but are not limited to):

- (a) underwriters’ spread and fees (whether realized directly or derived through purchase of the Series 2012A Bonds at a discount below the price at which a substantial number of the Series 2012A Bonds are sold to the public);
- (b) counsel fees (including bond counsel, original purchaser’s counsel, Board’s counsel, and any other specialized counsel fees incurred in connection with the issuance of the Series 2012A Bonds);
- (c) rating agency fees (except for any such fee that is paid in connection with or as a part of the fee for credit enhancement of the Series 2012A Bonds);
- (d) trustee or paying agent fees incurred in connection with the issuance of the Series 2012A Bonds;
- (e) accountant fees incurred in connection with the issuance of the Series 2012A Bonds;
- (f) printing costs (for the Series 2012A Bonds and of the preliminary and final Official Statements);

(g) costs incurred in connection with the required public approval process (e.g., publication costs for public notices generally and costs of the public hearing); and

(h) the Board's fees to cover administrative costs and expenses incurred in connection with the issuance of the Series 2012A Bonds.

“*Current Outlay of Cash*” means an outlay reasonably expected to occur not later than 5 banking days after the date as of which the allocation of Gross Proceeds to the Expenditure is made.

“*Date of Issuance*” means [CLOSING DATE].

“*Debt Service Fund*” means the portion of the Debt Service Fund established by the Board pursuant to the Bond Resolution applicable the Series 2012A Bonds including the Series 2012 Interest Account and Series 2012 Principal Account.

“*Discharged*” means, with respect to any Series 2012 Bond, the date on which all amounts due with respect to such Series 2012 Bond are actually and unconditionally due, if cash is available at the place of payment, and no interest accrues with respect to such Series 2012 Bond after such date.

“*Economic Accrual Method*” (also known as the *constant interest method* or *actuarial method*) means the method of computing Yield that is based on the compounding of interest at the end of each compounding period.

“*Escrow Agent*” means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreements, or any successor escrow agent.

“*Escrow Agreements*” means the Series 2001 Escrow Agreement, the Series 2001A Escrow Agreement, and the Series 2003 Escrow Agreement, all by and between the Board and the Escrow Agent, collectively.

“*Escrow Fund*” means the [_____] created pursuant to the applicable Escrow Agreement.

“*Exempt Person*” means any State or a local governmental unit of the State.

“*Expenditure*” means a book or record entry which allocates Proceeds of the Series 2012A Bonds in connection with a Current Outlay of Cash.

“*Fair Market Value*” means the price at which a willing buyer would purchase an Investment from a willing seller in a bona fide, arm's-length transaction. Fair Market Value generally is determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding (i.e., the trade date rather than the settlement date). Except as otherwise provided in this definition, an Investment that is not of a type traded on an established securities market (within the meaning of Section 1273 of the Code), is rebuttably presumed to be acquired or disposed of for a price that is not equal to its Fair Market Value. The Fair Market Value of a United States Treasury obligation that is purchased directly from the United States

Treasury is its purchase price. The following guidelines shall apply for purposes of determining the Fair Market Value of the obligations described below:

(a) *Certificates of Deposit.* The purchase of certificates of deposit with fixed interest rates, fixed payment schedules and substantial penalties for early withdrawal will be deemed to be an Investment purchased at its Fair Market Value on the purchase date if the Yield on the certificate of deposit is not less than:

(i) the Yield on reasonably comparable direct obligations of the United States; and

(ii) the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(b) *Guaranteed Investment Contracts.* A Guaranteed Investment Contract is a Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply Investments on two or more future dates (e.g., a forward supply contract). The purchase price of a Guaranteed Investment Contract is treated as its Fair Market Value on the purchase date if:

(i) the Board makes a bona fide solicitation for a specified Guaranteed Investment Contract and receives at least three bona fide bids from providers that have no material financial interest in the issue (e.g., as underwriters or brokers);

(ii) the Board purchases the highest-yielding Guaranteed Investment Contract for which a qualifying bid is made (determined net of broker's fees);

(iii) the Yield on the Guaranteed Investment Contract (determined net of broker's fees) is not less than the Yield then available from the provider on reasonably comparable Guaranteed Investment Contracts, if any, offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds;

(iv) the determination of the terms of the Guaranteed Investment Contract takes into account as a significant factor the Board's reasonably expected drawdown schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) the terms of the Guaranteed Investment Contract, including collateral security requirements, are reasonable; and

(vi) the obligor on the Guaranteed Investment Contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the Guaranteed Investment Contract.

"Final Computation Date" means the date the last Series 2012 Bond is Discharged.

“*Future Value*” means the Value of a Receipt or Payment at the end of any interval as determined by using the Economic Accrual Method and equals the Value of that Payment or Receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Bond Yield, using the same compounding interval and financial conventions used to compute the Bond Yield.

“*Gross Proceeds*” means any Proceeds or Replacement Proceeds of the Series 2012A Bonds.

“*Installment Computation Date*” means November 1, 2016, and the last day of each succeeding fifth Bond Year.

“*Investment*” means any Purpose Investment or Nonpurpose Investment, including any other tax-exempt bond.

“*Investment Instructions*” means the letter of instructions set forth as Exhibit B to this Tax Compliance Certificate dated the Date of Issuance.

“*Investment Proceeds*” means any amounts actually or constructively received from investing Proceeds of the Series 2012A Bonds.

“*Investment-Type Property*” means any property, other than property described in Section 148(b)(2)(A), (B), (C) or (E) of the Code that is held principally as a passive vehicle for the production of income. Except as otherwise provided, a prepayment for property or services is Investment-Type Property if a principal purpose for prepaying is to receive an investment return from the time the prepayment is made until the time payment otherwise would be made. A prepayment is not Investment-Type Property if:

- (a) the prepayment is made for a substantial business purpose other than investment return and the Board has no commercially reasonable alternative to the prepayment; or
- (b) prepayments on substantially the same terms are made by a substantial percentage of persons who are similarly situated to the Board but who are not beneficiaries of tax-exempt financing.

“*Issue Price*” means, except as otherwise provided, issue price as defined in Sections 1273 and 1274 of the Code. Generally, the Issue Price of bonds that are publicly offered is the first price at which a substantial amount of the bonds is sold to the public. Ten percent is a substantial amount. The public does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers. The Issue Price does not change if part of the issue is later sold at a different price. The Issue Price of bonds that are not substantially identical is determined separately. The Issue Price of bonds for which a bona fide public offering is made is determined as of the sale date based upon reasonable expectations regarding the initial public offering price. If a bond is issued for property, the applicable Federal tax-exempt rate is used in lieu of the Federal rate in determining the Issue Price under Section 1274 of the Code. The Issue Price of bonds may not exceed their Fair

Market Value as of the sale date. The Issue Price of the Series 2012A Bonds is \$[ISSUE PRICE].

“*Net Sale Proceeds*” means Sale Proceeds, less the portion of those Sale Proceeds invested in a reasonably required reserve or replacement fund under Section 148(d) of the Code and as part of a minor portion under Section 148(e) of the Code.

“*Nonpurpose Investment*” means any security, obligation, annuity contract or Investment-Type Property as defined in Section 148(b) of the Code, including “specified private activity bonds” as defined in Section 57(a)(5)(C) of the Code, but excluding all other obligations the interest on which is excludible from federal gross income.

“*Payments*” means, for purposes of computing the Rebate Amount, (a) amounts actually or constructively paid to acquire a Nonpurpose Investment (or treated as paid to a commingled fund); (b) for a Nonpurpose Investment that is allocated to an issue on a date after it is actually acquired (e.g., an Investment that becomes allocable to Transferred Proceeds or to Replacement Proceeds) or that becomes subject to the rebate requirement of the Code on a date after it is actually acquired (e.g., an Investment allocated to a reasonably required reserve or replacement fund for a construction issue at the end of the two-year spending period), the Value of that Investment on that date; (c) for a Nonpurpose Investment that was allocated to an issue at the end of the preceding computation period, the Value of that Investment at the beginning of the computation period; (d) on the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of an issue that are subject to the rebate requirement of the Code, and on the final maturity date, a Computation Date Credit; and (e) Yield Reduction Payments on Nonpurpose Investments made pursuant to Section 1.148-5(c) of the Regulations. For purposes of computing the Yield on an Investment (including the Value of the Investment), Payment means amounts to be actually or constructively paid to acquire the Investment; provided, however, that payments made by a conduit borrower are not treated as paid until the conduit borrower ceases to receive the benefit of earnings on those amounts. Payments on Investments, including Guaranteed Investment Contracts, are adjusted for Qualified Administrative Costs of acquiring a Nonpurpose Investment.

“*Pre-Issuance Accrued Interest*” means amounts representing interest that accrued on an obligation for a period not greater than one year before the Date of Issuance but only if those amounts are paid within one year after the Date of Issuance.

“*Proceeds*” means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of an issue. Proceeds do not include, however, amounts actually or constructively received with respect to a Purpose Investment that are properly allocable to the immaterially higher Yield under Section 1.148-2(d) of the Regulations or Section 143(g) of the Code or to qualified administrative costs recoverable under Section 1.148-5(e) of the Regulations.

“*Purpose Investment*” means an Investment that is acquired to carry out the governmental purpose of an issue.

“*Qualified Administrative Costs*” means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions that are

comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, excluding legal and accounting fees, recordkeeping, custody or similar costs. In addition, certain indirect administrative costs may be characterized as Qualified Administrative Costs with respect to Nonpurpose Investments in publicly offered regulated investment companies and certain “external commingled funds,” as defined in Section 1.148-5(e)(2)(ii) of the Treasury Regulations. For a guaranteed investment contract, a broker’s commission or similar fee paid on behalf of either an issuer or the provider is a Qualified Administrative Cost to the extent that the amount of the broker’s commission or similar fee does not exceed the lesser of (i) \$[_____] and (ii) .2% of the amount of Gross Proceeds the issuer expects, as of the date the guaranteed investment contract is acquired, to be deposited into the guaranteed investment contract over the term of such guaranteed investment contract or, if such amount does not exceed \$4,000, then \$4,000. With respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows allocated to Gross Proceeds, the aggregate amount of broker’s commissions and fees which may be treated as Qualified Administrative Costs cannot exceed \$[_____]. The foregoing limitations are effective for calendar year 2012 and may be adjusted annually for cost-of-living as provided in the Regulations.

“*Qualified Guarantee Fees*” means reasonable fees properly allocable to payments for a qualified guarantee for an issue as defined in Section 1.148-4(f) of the Regulations.

“*Qualified Hedging Transaction*” means a contract which meets the requirements of Section 1.148-4(h)(2) of the Regulations.

“*Rebate Amount*” means the excess of the Future Value of all Receipts on Nonpurpose Investments over the Future Value of all the Payments on Nonpurpose Investments. Future Value is computed as of the Computation Date. Rebate Amount additionally includes any penalties and interest on underpayments reduced for recoveries of overpayments.

“*Rebate Analyst*” means the entity, if any, chosen by the Board to determine the amount of required deposits to the Rebate Fund, if any.

“*Rebate Fund*” means the portion of the Rebate Fund established pursuant to the Bond Resolution applicable the Series 2012A Bonds including Series 2012 Rebate Account, as well as any other fund or account established to pay rebate with respect to the Series 2012A Bonds.

“*Receipts*” means, for purposes of computing the Rebate Amount, (a) amounts actually or constructively received from a Nonpurpose Investment (including amounts treated as received from a commingled fund), such as earnings and return of principal; (b) for a Nonpurpose Investment that ceases to be allocated to an issue before its disposition or redemption date (e.g., an Investment that becomes allocable to Transferred Proceeds of another issue or that ceases to be allocable to the issue pursuant to the universal cap under § 1.148-6 of the Regulations) or that ceases to be subject to the rebate requirement of the Code on a date earlier than its disposition or redemption date (e.g., an Investment allocated to a fund initially subject to the rebate requirement of the Code but that subsequently qualifies as a bona fide debt service fund), the Value of that Nonpurpose Investment on that date; and (c) for a Nonpurpose Investment that is held at the end of a computation period, the Value of that Investment at the end of that period. For purposes of computing Yield on an Investment, Receipts means amounts to be actually or

constructively received from the Investment, such as earnings and return of principal (including the Value of an Investment). Receipts on Investments, including Guaranteed Investment Contracts, are adjusted (reduced) for Qualified Administrative Costs.

“*Recomputation Event*” means a transfer, waiver, modification or similar transaction of any right that is part of the terms of the Series 2012A Bonds or a Qualified Hedging Transaction is entered into, or terminated, in connection with the Series 2012A Bonds.

“*Refunded Bonds*” means, collectively, the Series 2001 Bonds, the Series 2001A Bonds and the Series 2002 Bonds.

“*Refunded Projects*” means the Capital Expenditures financed with Proceeds of the Refunded Bonds.

“*Regulation*” or “*Regulations*” means the temporary, proposed or final Income Tax Regulations promulgated by the Department of the Treasury and applicable to the Series 2012A Bonds, including Sections 1.148-0 through 1.148-11, Section 1.149 and Sections 1.150-1 and 1.150-2 as issued by the Internal Revenue Service.

“*Replacement Proceeds*” means amounts which have a sufficiently direct nexus to the Series 2012A Bonds or to the governmental purpose of the Series 2012A Bonds to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Series 2012A Bonds were not used or to be used for that governmental purpose, as more fully defined in § 1.148-1(c) of the Regulations.

“*Sale Proceeds*” means any amounts actually or constructively received from the sale of the Series 2012A Bonds, including amounts used to pay underwriters’ discount or compensation and accrued interest other than Pre-Issuance Accrued Interest.

“*Series 2001 Bonds*” means Colorado Educational and Cultural Facilities Authority Lease Revenue Bonds (Community Colleges of Colorado System Headquarters Project), Series 2001.

“*Series 2001 Escrow Agreement*” means the [Escrow Agreement] dated [_____], by and between the Board and the Escrow Agent, relating to the Series 2001 Bonds.

“*Series 2001A Bonds*” means Colorado Educational and Cultural Facilities Authority Lease Revenue Bonds (Pikes Peak Community College Project), Series 2001A.

“*Series 2001A Escrow Agreement*” means the [Escrow Agreement] dated [_____], by and between the Board and the Escrow Agent, relating to the Series 2001A Bonds.

“*Series 2002 Bonds*” means Colorado Educational and Cultural Facilities Authority, Community Colleges of Colorado, Lease Revenue Bonds (Arapahoe Community College Project), Series 2002.

“*Series 2002 Escrow Agreement*” means the [Escrow Agreement] dated [_____], by and between the Board and the Escrow Agent, relating to the Series 2002 Bonds.

“*Series 2012A Bonds*” means the \$[PAR] principal amount of the Series 2012A Bonds issued under the Bond Resolution and designated as the “State of Colorado, Department of Higher Education, by State Board for Community Colleges and Occupational Education Systemwide Revenue Refunding Bonds, Series 2012A.”

“*Series 2012A Expense Account*” means the Series 2012 Expense Account created under the Bond Resolution.

“*State*” means the State of Colorado.

“*Transferred Proceeds*” means Proceeds of a refunding issue which become transferred proceeds of a refunding issue and cease to be Proceeds of a prior issue when Proceeds of the refunding issue discharge any of the outstanding principal amount of the prior issue. The amount of Proceeds of the prior issue that become transferred proceeds of the refunding issue is an amount equal to the Proceeds of the prior issue on the date of that discharge multiplied by a fraction:

(a) the numerator of which is the principal amount of the prior issue discharged with Proceeds of the refunding issue on the date of that discharge; and

(b) the denominator of which is the total outstanding principal amount of the prior issue on the date immediately before the date of that discharge.

“*Universal Cap*” means the Value of all outstanding Series 2012A Bonds.

“*Value*” means Value as determined under Section 1.148-4(e) of the Regulations for a Bond and Value determined under Section 1.148-5(d) of the Regulations for an Investment.

“*Yield*” means, for purposes of determining the Bond Yield, the Yield computed under the Economic Accrual Method using consistently applied compounding intervals of not more than one year. A short first compounding interval and a short last compounding interval may be used. Yield is expressed as an annual percentage rate that is calculated to at least four decimal places (e.g., 5.2525 percent). Other reasonable, standard financial conventions, such as the 30 days per month/360 days per year convention, may be used in computing Yield but must be consistently applied. The Yield on an issue that would be a Purpose Investment (absent Section 148(b)(3)(A) of the Code) is equal to the Yield on the conduit financing issue that financed that Purpose Investment. The Yield on a fixed yield issue is the discount rate that, when used in computing the present value as of the issue date of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the issue and amounts reasonably expected to be paid as fees for qualified guarantees on the issue, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of bonds of the issue as of the issue date. In the case of obligations purchased or sold at a substantial discount or premium, the Regulations prescribe certain special Yield calculation rules. For purposes of determining the Yield on an Investment, the Yield computed under the Economic Accrual Method, using the same compounding interval and financial conventions used to compute the Bond Yield.

The Yield on an Investment allocated to the Series 2012A Bonds is the discount rate that, when used in computing the present Value as of the date the Investment is first allocated to the Series 2012A Bonds of all unconditionally payable receipts from the Investment, produces an amount equal to the present value of all unconditionally payable payments for the Investment. The Yield on an Investment shall not be adjusted by any hedging transaction entered into in connection with such Investment unless the Board has received an opinion of Bond Counsel that such an adjustment is permitted by the Regulations. Yield shall be calculated separately for each Class of Investments.

“*Yield Reduction Payment*” means a payment to the United States with respect to an Investment which is treated as a Payment for that Investment that reduces the Yield on that Investment in accordance with Section 1.148-5(c) of the Regulations. Yield Reduction Payments include Rebate Amounts paid to the United States.

1.8 **Reliance on Board Information.** Bond Counsel shall be permitted to rely, after due inquiry, upon the contents of any certification, document or instructions provided pursuant to this Tax Compliance Certificate and shall not be responsible or liable in any way for the accuracy of their contents or the failure of the Board to deliver any required information.

2. **The Purpose of the Series 2012A Bonds.**

2.1 The Series 2012A Bonds are being issued for the purpose of providing funds to (a) current refund the outstanding Series 2001 Bonds and Series 2001A Bonds; (b) advance refund the Series 2002 Bonds; and (c) pay the costs and expenses associated with the issuance of the Series 2012A Bonds.

2.2 The Average Maturity of the Series 2012A Bonds ([_____] years) does not exceed 120% of the remaining combined Average Economic Life of the Refunded Projects. The Board does not expect that the plan of financing relating to the Series 2012A Bonds will result in the creation of any replacement proceeds within the meaning of Section 1.148-1(c) of the Regulations.

2.3 As a result of the issuance of the Series 2012A Bonds, the Board will accomplish one or more of the purposes set forth in the Public Securities Refunding Act, Article 56 of Title 11, Colorado Revised Statutes, [including, but not limited to, reducing the net effective interest rate payable by the Board with respect to the obligation represented by the Series Refunded Bonds allowing the Board to realize present value savings].

2.4 [Intentionally Omitted].

2.5 None of the Refunded Bonds were “hedge bonds” for purposes of Section 149(g) of the Code. As of the date of issuance of each series of the Refunded Bonds, the Board reasonably expected to spend at least eighty-five percent (85%) of the “spendable proceeds” of such series of the Refunded Bonds within three years of the respective date of issuance for each of the Refunded Bonds, and did in fact spend such monies in such time period. Additionally, the Board did not invest greater than fifty percent (50%) of the proceeds of any series of the Refunded Bonds in Non-Purpose Investments having a guaranteed yield for four or more years.

2.6 As of the Date of Issuance of the Series 2012A Bonds, there are no unexpended Proceeds of the Refunded Bonds; all of the proceeds of Refunded Bonds (except amounts spent for costs of issuance and credit enhancement approved by bond counsel) were spent on Capital Projects; and after inquiry, the Board is not aware of any breach, or substantial deviation, from any of the tax-related representations or covenants made in connection with the Refunded Bonds.

3. **Source and Disbursement of Funds.**

3.1 The Series 2012A Bonds will be sold to the Underwriter for a purchase price of \$[_____], constituting the \$[_____] par amount of the Series 2012A Bonds, less underwriter's discount of \$[_____], plus a net original issue premium of \$[_____] (the "Sale Proceeds"). There is no Pre-Issuance Accrued Interest on the Series 2012A Bonds.

3.2 The \$[_____] of Sale Proceeds are expected to be needed and fully expended as follows:

(a) \$[_____] of Sale Proceeds will be deposited in the Escrow Fund relating to the Series 2001 Bonds to current refund the Series 2001 Bonds;

(b) \$[_____] of Sale Proceeds will be deposited in the Escrow Fund relating to the Series 2001A Bonds to current refund the Series 2001A Bonds;

(c) \$[_____] of Sale Proceeds will be deposited in the Escrow Fund relating to the Series 2002 Bonds to advance refund the Series 2002 Bonds; and

(d) \$[_____] of Sale Proceeds will be deposited in the Series 2012A Expense Account and expended on payment of the costs anticipated to be incurred in connection with the issuance of the Series 2012A Bonds.

4. **Temporary Period and Investments for Certain Proceeds; and Series 2012A Expense Account.**

4.1 The portion of the Sale Proceeds of the Series 2012A Bonds deposited to the Series 2012A Expense Account and used to pay Costs of Issuance will be spent within a one year period beginning on the Date of Issuance. The Sale Proceeds described in the preceding sentence may be invested without regard to investment yield limitation for a period of one year following the Date of Issuance of the Series 2012A Bonds, and thereafter, at a yield in not excess of one-eighth of one percent (.125%) above the Yield on the Series 2012A Bonds.

4.2 Investments described in this Section are to the extent required by the Code subject to the rebate requirements of Section 9 of this Tax Compliance Certificate.

5. **Escrow Funds.** The Escrow Funds will be funded solely with Proceeds of the Series 2012A Bonds. Proceeds of the 2012A Bonds and interest earnings or investment gains thereon deposited to the Escrow Fund relating to the Series 2001 Bonds will be expended to current refund and redeem the Series 2001 Bonds on [_____]. Proceeds of the 2012A Bonds and interest earnings or investment gains thereon deposited to the Escrow Fund relating to the

Series 2001A Bonds will be expended to current refund and redeem the Series 2001A Bonds on [_____]. Proceeds of the 2012A Bonds and interest earnings or investment gains thereon deposited to the Escrow Fund relating to the Series 2002 Bonds will be expended to advance refund and redeem the Series 2001 Bonds on [_____] which is the earliest call date with respect thereto. Proceeds of the Series 2012A Bonds deposited to the Escrow Funds will be invested in accordance with the terms of the Escrow Agreements. Proceeds of the Series 2012A Bonds deposited to the Escrow Fund relating to the Series 2001 Bonds and the Escrow Fund relating to the Series 2001A Bonds will be expended within 90 days of the Date of Issuance of the Series 2012A Bonds, and therefore, may be invested without regard to investment yield limitation. Any amounts remaining in the Escrow Funds relating to the Series 2001 Bonds and Series 2001A Bonds following the redemption thereof shall be transferred and allocated to the Debt Service Fund to pay debt service on the Series 2012A Bonds. The Proceeds of the Series 2012A Bonds allocated to the Escrow Fund relating to the Series 2002 Bonds to advance refund the Series 2002 Bonds will not be invested in obligations bearing a Yield in excess of the Bond Yield. Further, any Investment Proceeds realized from the investment of any Proceeds of the Series 2012A Bonds held in the Escrow Fund relating to the Series 2002 Bonds will not be invested in obligations which bear a Yield in excess of the Bond Yield. [The Escrow Fund relating to the Series 2002 Bonds will be invested in a portfolio comprised of SLGS which were purchased from the Department of the Treasury-Bureau of Public Debt. The combined Yield on Investments held in the Escrow Fund relating to the Series 2002 Bonds, as verified by [VERIFICATION AGENT] in its verification report (the "Verification Report"), will be lower than the Bond Yield. If there are ever any excess amounts in the Escrow Fund relating to the Series 2002 Bonds to be released to the Board, the total amount of such releases will be allocated to Expenditures incurred by the Board to pay debt service on the Series 2012A Bonds or to costs of Capital Projects after consultation with Bond Counsel.]

6. **Debt Service Fund.** Amounts deposited in the Debt Service Fund are to be expended to pay principal of and interest on the Series 2012A Bonds as the same become due and will be depleted at least once a year (except for a reasonable carryover amount not to exceed the greater of one twelfth of the annual debt service on the Series 2012A Bonds or one year's interest earnings on such funds). Accordingly, the Debt Service Fund constitutes a bona fide debt service fund. It is reasonably expected that all amounts received by the Board as income from the investment of such portions of the Debt Service Fund will be expended to pay the principal of and interest on the Series 2012A Bonds within one year of receipt thereof. Such amounts deposited to the Debt Service Fund may be invested without regard to investment yield limitation for a period of thirteen months (13) from the date of deposit therein, and thereafter (or at any time to the extent such amounts exceed those amounts set forth in the first sentence of this paragraph), may not be invested in obligations.

7. **Arbitrage Representations and Elections.**

7.1 The Board will use a reasonable, Consistently Applied Accounting Method to account for Gross Proceeds, Investments and Expenditures for the Series 2012A Bonds. The Board shall additionally use a Consistently Applied Accounting Method for allocating Proceeds of the Series 2012A Bonds to Expenditures, subject to the Current Outlay of Cash rule.

7.2 The Board shall not commingle Proceeds of the Series 2012A Bonds with any other funds.

7.3 In connection with the Series 2012A Bonds, there has not been created or established and the Board does not expect that there will be created or established, any sinking fund, pledged fund or similar fund (other than as specifically identified in the Bond Resolution), including without limitation any arrangement under which money, securities or obligations are pledged directly or indirectly to secure the Series 2012A Bonds or any contract securing the Series 2012A Bonds or any arrangement providing for compensating or minimum balances to be maintained by the Board with any owner or credit enhancer of the Series 2012A Bonds.

7.4 The Board will not enter into or engage in any Abusive Arbitrage Devices. If the Board invests any of the Gross Proceeds in certificates of deposit or pursuant to an investment contract or a certificate of deposit, the Board will comply with the certifications in the form attached hereto as Exhibits C-1 through C-6.

7.5 The Board hereby makes the following elections and other choices pursuant to the Regulations with respect to the Series 2012A Bonds:

(a) the Board elects the bond year stated in the definition of the Bond Year;

(b) the Board elects to avail itself of all unrestricted yield investments granted in the Regulations for temporary period, reasonably required reserve fund and minor portion investments;

(c) the Board elects to treat the last day of the fifth Bond Year (November 1, 2016) as the initial Installment Computation Date and the initial rebate payment date. The Board elects to treat the last day of each subsequent fifth Bond Year as subsequent Installment Computation Dates and subsequent rebate payment dates. The Board may change or adjust such dates as permitted by the Regulations; and

(d) with respect to the Universal Cap, the Board as of the Date of Issuance does not expect that the operation of the Universal Cap will result in a reduction or reallocation of Gross Proceeds of the Series 2012A Bonds and that the Board (i) does not expect to pledge funds (other than those described in the Bond Resolution) to the payment of the Series 2012A Bonds; (ii) expects to expend Sale Proceeds of the Series 2012A Bonds within the expected temporary periods; and (iii) does not expect to retire any of the Series 2012A Bonds earlier than shown in the Yield computations for the Series 2012A Bonds.

(e) **Rebate Account.** Moneys that are not Gross Proceeds of the Series 2012A Bonds deposited to the Rebate Account and the earnings thereon may be invested without regard to investment and are not subject to the rebate requirements of Section 148(f) of the Code as described in the Investment Instructions attached as Exhibit B hereto. Investment Proceeds of the Series 2012A Bonds deposited in the Rebate Account may be invested without regard to

investment yield limitation from a one year period beginning on the date of receipt, and thereafter, at a yield not in excess of the Yield on the Series 2012A Bonds. Investment of such Proceeds of the Series 2012A Bonds are subject to the rebate requirements of Section 148(f) of the Code as described in the Investment Instructions attached as Exhibit B hereto.

8. Price and Yield of the Series 2012A Bonds.

8.1 The Underwriter has represented in the Certificate of Underwriter attached as Exhibit A hereto that the initial offering price to the public (excluding bond houses, brokers and other intermediaries) at which a substantial amount of the Series 2012A Bonds were sold is \$[ISSUE PRICE], which is the par amount of the Series 2012A Bonds plus original issue premium of \$[_____]. There is no Pre-Issuance Accrued Interest on the Series 2012A Bonds.

8.2 As used in this Certificate, the term “yield” refers to the discount rate which, when used in computing the present value of all payments of principal and interest to be paid on an obligation, produces an amount equal to the issue price. The calculations of Yield have been made on the basis of semiannual compounding using a 360-day year and upon the assumption that payments are made on the last day of each semiannual interest payment Date. For purposes of computing yield, the purchase price of any obligation is equal to the fair market value as of the date of a binding contract to acquire such obligation. The Underwriter has represented in the Certificate of Underwriter attached as Exhibit A hereto that the Yield on the Series 2012A Bonds is not less than [YIELD]%.

9. Rebate Requirement and Investment Instructions.

9.1 *Arbitrage Compliance.* The Board acknowledges that the continued exclusion of interest on the Series 2012A Bonds from gross income of the recipients thereof for purposes of federal income taxation depends, in part, upon compliance with the arbitrage limitations imposed by Section 148 of the Code, including the rebate requirement described in Section 148(f) of the Code. The Board hereby agrees and covenants that it shall not permit at any time or times any of the Gross Proceeds of the Series 2012A Bonds or other funds of the Board to be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the Series 2012A Bonds to be “arbitrage bonds” for purposes of Section 148 of the Code. The Board further agrees and covenants that it shall do and perform all acts and things necessary in order to ensure that the requirements of Section 148 of the Code and the Regulations are met, including the payment to the United States of America of the required portion of the Rebate Amount as of each Computation Date. To that end, the Board may retain, at its own expense, a Rebate Analyst to make such determinations and calculations as may be necessary in order to ensure that the Board takes the actions described in the Investment Instructions with respect to the Investment of Gross Proceeds on deposit in the funds and accounts established under the Bond Resolution. The provisions of the Investment Instructions are by this reference expressly incorporated herein. The Board has covenanted that it will comply with the Investment Instructions and the Board expects that it will so comply.

9.2 Pursuant to this Tax Compliance Certificate, the Board will establish such Accounting Methods and keep all such records as are necessary to determine any Rebate Amount for a period of at least four years after the later of the final retirement of the Series 2012A Bonds or any obligation issued to refund the Series 2012A Bonds.

10. **Miscellaneous.**

10.1 ***Change in Ownership of the Refunded Projects.*** The Board intends either to own the Refunded Projects at all times during the term of the Series 2012A Bonds, or to sell or lease portions of the Refunded Projects, but only to other governmental units and in a manner that does not result in the inclusion of interest on the Series 2012A Bonds in the gross income of the owners thereof for federal income tax purposes. The Board does not know of any reason why the Refunded Projects will not be so used in the absence of (a) supervening circumstances not now anticipated by it, (b) adverse circumstances beyond its control, or (c) obsolescence of such insubstantial portions thereof as may occur as a result of normal use thereof. The Board will not change the use, ownership or nature of any portion of the Proceeds of the Series 2012A Bonds or the Refunded Projects so long as any of the Series 2012A Bonds are outstanding unless, in the written opinion of Bond Counsel, such change will not result in the inclusion of interest on the Series 2012A Bonds in the gross income of the recipient thereof for purposes of federal income taxation, except that the Board may without an opinion sell or otherwise dispose of minor portions of the Refunded Projects as may be necessary due to normal obsolescence.

10.2 ***Representations as to Limits on the Use of Proceeds.*** In order to ensure that interest on the Series 2012A Bonds is excludable from the gross income of the recipients thereof for purposes of federal income taxation, the Board hereby covenants as follows:

(a) The Board will not take or permit to be taken any action which would cause the Series 2012A Bonds to be deemed private activity bonds under the Code. The Series 2012A Bonds will be considered “private activity bonds” if: (i) more than 10% of the Proceeds of the Series 2012A Bonds or the Refunded Projects are used directly or indirectly in the business of a nongovernmental person, and (ii) more than 10% of the debt service on the Series 2012A Bonds is directly or indirectly (A) secured by any interest in property used in a private business or (B) derived from payments made with respect to property used in a private business. No more than 5% of any such private use and any such private security for or private payment of the Series 2012A Bonds may be unrelated or disproportionate to the Refunded Projects. Series 2012A Bonds will be considered “private activity bonds” if more than the lesser of 5% of proceeds of the Series 2012A Bonds or \$5,000,000 is loaned to non-Exempt Persons.

(b) The Board will not permit payment of the principal of or the interest on more than 10% of the Series 2012A Bonds (under the terms of such Series 2012A Bonds or any underlying arrangement) to be directly or indirectly secured by any interest in property used or to be used for a private business use (or by any interest in payments in respect of such property), or to be derived from payments (whether or not to the Board) in respect of property (or borrowed

money) used or to be used for a private business use. In the event that Proceeds of the Series 2012A Bonds are to be used for any private business use that is not related (or is disproportionate) to any government use of such Proceeds and the Refunded Projects (and to payments, property and borrowed money with respect to any such private business use), the proceeding covenant shall apply but not more than 5% (rather than 10%) of the Series 2012A Bonds may be so secured. This requirement is referred to herein as the “private payment test.”

In determining whether the Series 2012A Bonds meet the private payment test, the Board will compare the present value of the payments taken into account to the present value of the debt service to be paid over the term of the Series 2012A Bonds. Debt service will include reasonable credit enhancement fees but will not include any amount to be paid from Proceeds of the Series 2012A Bonds. For example, debt service will not include accrued interest or other amounts to be paid with Proceeds of the Series 2012A Bonds. For purposes of the discount rate to be applied in such present value calculations, the Yield on the Series 2012A Bonds has been computed by the Underwriter to be [YIELD]%.

Payments taken into account in determining whether the Series 2012A Bonds meet the private payment test will include payments made for any private business use and payments in respect of property financed (directly or indirectly) with Proceeds of the Series 2012A Bonds. However, any payment that is properly allocable to the payment of ordinary or necessary expenses directly attributable to the operation and maintenance of the Refunded Projects (other than general overhead or administrative expenses) will not be included as a payment taken into account. Similarly, payments by a person for use of Proceeds will only be included to the extent that the present value of such payments does not exceed the present value of the debt service allocable to that person’s use of Proceeds or the Refunded Projects. For example, if 10% of the Proceeds of the Series 2012A Bonds were used by a person, payments by such person would not be taken into account to the extent that the present value of such payments exceeded the present value of 10% of the debt service on the Series 2012A Bonds.

For purposes of the business use test, certain incidental uses of a facility may be disregarded to the extent that the Proceeds of the Series 2012A Bonds which result in the incidental use do not exceed 2-1/2% of the total Proceeds of the Series 2012A Bonds. The use of a facility by a person will be treated as an incidental use if such use does not involve the transfer to such person of possession and control of space that is separated physically from other areas of the facility and is not related to any other use of the facility by the same person. For example, use of space in common areas of an office building for coin-operated telephones, advertising displays, vending machines or a newsstand or shoe shine stand may be disregarded.

(c) The Series 2012A Bonds are not and shall not become directly or indirectly federally guaranteed. Series 2012A Bonds will be considered to be “federally guaranteed” if (i) the payment of principal or interest with respect to

such Series 2012A Bonds is guaranteed (in whole or in part) by the United States of America (or any agency or instrumentality thereof), (ii) 5% or more of the Proceeds of the Series 2012A Bonds is (A) used in making loans the payment of principal or interest with respect to which is guaranteed (in whole or in part) by the United States or any agency or instrumentality thereof or (B) invested (directly or indirectly) in federally insured deposits or accounts, or (iii) the payment of principal or interest on the Series 2012A Bonds is otherwise indirectly guaranteed (in whole or in part) by the United States (or an agency or instrumentality thereof).

(d) The Board shall file Internal Revenue Form 8038-G pursuant to Section 149(e) of the Code.

(e) The Board will not allow the Refunded Projects to be used in the trade or business of any person who is a non-Exempt Person unless it seeks an opinion of Bond Counsel that such use would not adversely affect the tax-exemption of interest on the Series 2012A Bonds. The Board acknowledges that in determining whether all or any portion or function of the Refunded Projects is used, directly or indirectly, in the trade or business of a non-Exempt Person, use of any portion or function of the Refunded Projects by a non-Exempt Person pursuant to a lease, sublease, management contract, research contract, service contract or other arrangement must be examined. A lease, sublease, management contract, service contract or other arrangement between the Board and a non-Exempt Person with respect to the Refunded Projects or any portion or function thereof will not result in the Refunded Projects being used for federal income tax purposes in the trade or business of the non-Exempt Person if the guidelines set forth in Rev. Proc. 97-13 and the Regulations are met.

10.3 Representations by the Board for Purposes of IRS Form 8038-G.

Section 149(e) of the Code requires as a condition to qualification for tax-exemption that the Board provide to the Secretary of the Treasury certain information with respect to the Series 2012A Bonds and the application of the proceeds derived therefrom. The following representations of the Board will be relied upon by Bond Counsel in satisfying this information reporting requirement. Accordingly, the Board hereby represents, covenants and warrants to the best of its knowledge, for the benefit of Bond Counsel and the registered owners of the Series 2012A Bonds, the truth and accuracy of (a) through (n) below:

- (a) Board’s employer identification number 52-1560779
- (b) Issue Price of the Series 2012A Bonds exclusive
of Accrued Interest..... \$[ISSUE PRICE]
- (c) Proceeds used for Accrued Interest.....\$-0-
- (d) Costs of Issuance (including Underwriter’s Discount).....\$[_____]
- (e) Proceeds used for Credit Enhancement\$-0-

- (f) Proceeds used to advance refund prior issue\$-0-
- (g) Proceeds used to current refund prior issue\$[_____]
- (h) Proceeds used to advance refund prior issue\$[_____]
- (i) Proceeds used to fund a reserve fund.....\$-0-
- (j) Nonrefunding Proceeds.....\$[_____]
- (k) Date of final maturity of the Series 2012A Bonds.....[_____]
- (l) Stated redemption price at maturity of the entire issue of the Series 2012A Bonds.....\$[_____]
- (m) Weighted average maturity of the Series 2012A Bonds..... [_____] years
- (n) Yield on the entire issue of the Series 2012A Bonds.....[_____]%

10.4 **Additional Tax Covenants.** In order to ensure that interest on the Series 2012A Bonds is excludible from the gross income of the recipients thereof for purposes of federal income taxation, the Board hereby represents and covenants as follows:

(a) The Board will comply with, and make all filings required by, all effective rules, rulings or regulations promulgated by the Department of the Treasury or IRS with respect to obligations described in Section 103 of the Code, such as the Series 2012A Bonds.

(b) The Board shall not sell any other tax-exempt obligations within 15 days of the sale date of the Series 2012A Bonds pursuant to the same plan of financing with the Series 2012A Bonds and payable from substantially the same source of funds, determined without regard to qualified guaranties from unrelated parties and used to pay the Series 2012A Bonds.

(c) The officer of the Board charged with post issuance compliance is [_____], as the [_____] of the Board. See Exhibit D hereto for the Board's written procedures dealing with remedial action procedures should private business use of the Refunded Projects occur.

11. **Amendments.**

11.1 Notwithstanding any other provision hereof, any provision of this Tax Compliance Certificate may be deleted or modified at any time at the option of the Board, if the Board has obtained an opinion, in form and substance satisfactory to the Board, of Bond Counsel that such deletion or modification will not adversely affect the exclusion of interest on the Series 2012A Bonds from the gross income of the recipients thereof for purposes of federal income taxation.

IN WITNESS WHEREOF, the undersigned has set his hand on this Tax Compliance Certificate as of the date set forth below.

**STATE BOARD FOR COMMUNITY
COLLEGES AND OCCUPATIONAL
EDUCATION**

By _____
Name:
Title:

Attest:

By: _____
Name:
Title:

Dated: [CLOSING DATE]

[Signature Page to Series 2012 Tax Compliance Certificate]

**EXHIBIT A-1
TO
TAX COMPLIANCE CERTIFICATE**

CERTIFICATE OF UNDERWRITER

**[\$[PAR]
State of Colorado, Department of Higher Education, by State Board for
Community Colleges and Occupational Education
Systemwide Revenue Refunding Bonds
Series 2012A**

The undersigned, on behalf of [UNDERWRITER], as underwriter (the “Underwriter”), hereby represents: (a) that the initial offering price of the above-referenced bonds (collectively, the “Series 2012A Bonds”) is \$[ISSUE PRICE] as stated in Sections 8.1 and 10.3(b) of the Tax Compliance Certificate which represents the maximum initial offering price at which a substantial amount (10%) of each maturity of the Series 2012A Bonds was sold or is expected to be sold to the public (exclusive of bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) through a bona fide offering and (b) that such initial offering price was established by a bona fide bid without regard to any amounts which would increase the yield on any maturity of the Series 2012A Bonds above its market yield.

We understand that this Certificate shall form a part of the basis for the opinion, dated the date hereof, of Kutak Rock LLP, Bond Counsel, to the effect that interest on the Series 2012A Bonds is not includible in the gross income of the recipients thereof for purposes of federal income taxation under existing statutes, regulations, rulings and judicial decisions.

IN WITNESS WHEREOF, the undersigned has set his hand as of the date set forth below.

[UNDERWRITER]

By _____
Name _____
Title _____

Dated: [CLOSING DATE]

[Signature Page to Exhibit A-1 to Tax Compliance Certificate - Certificate of Underwriter]

**EXHIBIT A-2
TO
TAX COMPLIANCE CERTIFICATE**

CERTIFICATE OF FINANCIAL ADVISOR

**[\$[PAR]
State of Colorado, Department of Higher Education, by State Board for
Community Colleges and Occupational Education
Systemwide Revenue Refunding Bonds
Series 2012A**

The undersigned, on behalf of BD Advisors, LLC (the “Financial Advisor”) hereby represents that the yield on the above captioned bonds (the “Series 2012A Bonds”) has been calculated to be not less than [YIELD]%.

We understand that this Certificate shall form a part of the basis for the opinion, dated the date hereof, of Kutak Rock LLP, Bond Counsel, to the effect that interest on the Series 2012A Bonds is not includible in the gross income of the recipients thereof for purposes of federal income taxation under existing statutes, regulations, rulings and judicial decisions.

IN WITNESS WHEREOF, the undersigned has set his hand as of the date set forth below.

BD ADVISORS, LLC

By _____
Name _____
Title _____

Dated: [CLOSING DATE]

[Signature Page to Exhibit A-2 to Tax Compliance Certificate – Certificate of Financial Advisor]

**EXHIBIT B
TO
TAX COMPLIANCE CERTIFICATE**

INVESTMENT INSTRUCTIONS

[CLOSING DATE]

State Board for Community Colleges
and Occupational Education

**[\$[PAR]
State of Colorado, Department of Higher Education, by State Board for
Community Colleges and Occupational Education
Systemwide Revenue Refunding Bonds
Series 2012A**

Ladies and Gentlemen:

This letter sets forth instructions (the “Instructions”) regarding the investment and disposition of moneys deposited in various funds and accounts created under the Master Resolution, adopted by the State Board for Community Colleges and Occupational Education (the “Board”) on December 14, 2011, as supplemented including by the Third Supplemental Resolution adopted by the Board on [December 14, 2011] (collectively, the “Bond Resolution”), authorizing and providing for the issuance of the State of Colorado, Department of Higher Education, By State Board for Community Colleges and Occupational Education Systemwide Revenue Refunding Bonds, Series 2012A” (the “Series 2012A Bonds”).

The purpose of these Instructions is to assure that the investment of moneys in the funds and accounts described herein will comply with the arbitrage limitations imposed by Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations thereunder (the “Regulations”). These Instructions implement the investment provisions of the Tax Compliance Certificate executed by the Board on the Date of Issuance of the Series 2012A Bonds and constitute the “Investment Instructions” referred to in said Tax Compliance Certificate. Terms not otherwise defined herein shall have the definitions ascribed to such terms in the Bond Resolution and the Tax Compliance Certificate.

1. **Computation of Yield.** For purposes of these Instructions, the term “yield” shall have the meaning set forth in the Regulations. The Regulations provide that the term “yield” means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation. The Yield of the Series 2012A Bonds and the yield of obligations acquired with moneys described in these Instructions shall be computed by using the same frequency of interest compounding. Based on the representations of the Underwriter and Financial Advisor attached

as Exhibits A-1 and A-2 to the Tax Compliance Certificate, in the case of the Series 2012A Bonds, the issue price of the Series 2012A Bonds is \$[ISSUE PRICE] which is the offering price to the public and the Yield on the Series 2012A Bonds is not less than [YIELD]%. There is no accrued interest on the Series 2012A Bonds.

2. Debt Service Fund; Escrow Fund; and Rebate Account.

(a) Moneys deposited in the Debt Service Fund shall be used to pay principal and interest on the Series 2012A Bonds. Established to achieve proper matching of debt service the Series 2012A Bonds, amounts deposited in the Debt Service Fund shall be spent within a one-year period beginning on the date of deposit therein. Amounts deposited in the Debt Service Fund may be invested at a yield in excess of the Yield on the Series 2012A Bonds for a period of thirteen months (13) from the date of deposit therein, and thereafter (or at any time such amounts exceed those amounts described in the previous sentence unless expressly approved by Bond Counsel), at a Yield not in excess of the Yield on the Series 2012A Bonds. Any investment earnings or gains therefrom may be invested at a Yield in excess of the Yield on the Series 2012A Bonds for a period of one year from the date of receipt, and thereafter, at a Yield not in excess of the Yield on the Series 2012A Bonds. To the extent required by the Code, such amounts are subject to the rebate requirements of Section 148(f) of the Code as described in Sections 3-6 below.

(b) [Intentionally Omitted].

(c) [Intentionally Omitted].

(d) Proceeds of the Series 2012A Bonds deposited to the Series 2012A Expense Account shall be used to pay Costs of Issuance of the Series 2012A Bonds and expended within a one-year period beginning on the Date of Issuance and may be invested for a period of one-year without regard to investment yield limitation, and thereafter, may not be invested at a Yield not in excess of the Bond Yield plus one-eighth of one percent (.125%). Investment of such Proceeds of the Series 2012A Bonds are subject to the rebate requirements of Section 148(f) of the Code as described in Sections 3-6 below.

(e) Proceeds of the Series 2012A Bonds deposited to the Escrow Fund relating to the Series 2001 Bonds and the Escrow Fund relating to the Series 2001A Bonds will be expended within 90 days of the Date of Issuance of the Series 2012A Bonds to current refund the Refunded Bonds, and therefore, may be invested without regard to investment yield restrictions. The Proceeds of the Series 2012A Bonds allocated to the Escrow Fund relating to the Series 2002 Bonds to advance refund the Series 2002 Bonds will not be invested in obligations bearing a Yield in excess of the Bond Yield. Further, any Investment Proceeds realized from the investment of any Proceeds of the Series 2012A Bonds held in the Escrow Fund relating to the Series 2002 Bonds will not be invested in obligations which bear a Yield in excess of the Bond Yield.

(f) Moneys deposited to the Rebate Account that are not Gross Proceeds of the Series 2012A Bonds may be invested without regard to investment yield limitation and are not subject to the rebate requirements of Section 148(f) of the Code as described in Sections 3-6 below. Investment Proceeds of the Series 2012A Bonds deposited in the Rebate Account may be invested without regard to investment yield limitation for a period of one-year from the date of receipt, and thereafter, at a yield not in excess of the Yield on the Series 2012A Bonds and such amounts are subject to the rebate requirements of Section 148(f) of the Code as described in Sections 3-6 below.

3. Rebate Requirements for the Series 2012A Bonds.

(a) By the end of each and every fifth Bond Year for the Series 2012A Bonds and upon the final maturity date of the Series 2012A Bonds or any earlier date of redemption of the Series 2012A Bonds in whole (each such date, a “Computation Date”), you must determine the Rebate Amount and Yield Reduction Payments, if any, to be paid to the United States. The first Computation Date is November 1, 2016. All Gross Proceeds of the Series 2012A Bonds are subject to the rebate requirements of Section 148(f) of the Code.

(b) The Board shall establish such accounting measures and keep such separate records as are necessary to segregate or otherwise designate the Gross Proceeds of the Series 2012A Bonds and the Nonpurpose Investments acquired with such Gross Proceeds for a period of at least four years after the later of the retirement of the last outstanding Bond or any bond issued to refund the Series 2012A Bonds.

(c) Section 148(f) of the Code requires the payment to the United States of any Rebate Amount. The Regulations require payment of any Yield Reduction Payments to the United States.

(d) (i) On or before 25 days following each Computation Date, an amount shall be deposited to the Rebate Account so that the balance of the Rebate Account shall equal the aggregate Rebate Amount and any Yield Reduction Payments as of such determination date.

(ii) Amounts deposited in the Rebate Account shall be invested in accordance with the Investment Instructions.

(iii) All money at any time deposited in the Rebate Account shall be held for payment to the United States of America of the Rebate Amount and any Yield Reduction Payments.

(iv) For purposes of crediting amounts to the Rebate Account or withdrawing amounts from the Rebate Account, Nonpurpose Investments shall be valued in the manner provided in this Investment Instructions.

(e) In order to meet any rebate requirements of Section 148(f) of the Code applicable to the Series 2012A Bonds (and to make any Yield Reduction Payments), the Board agrees and covenants to take the following actions:

(i) For each Investment of amounts held with respect to the Series 2012A Bonds in funds and accounts described in subparagraph (c), the Board shall record the purchase date of such Investment, its purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, its Yield, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date. The Board shall determine the Fair Market Value for such Investments and the Yield thereon as may be required by the Regulations. The Yield for an Investment shall be calculated by using the method set forth in the Regulations.

(ii) For each Computation Date, the Board shall compute the Bond Yield as required by the Regulations based on the definition of issue price contained in Section 148(h) of the Code and the Regulations. For purposes of this Investment Instruction, the initial offering price to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Series 2012A Bonds were sold is the Issue Price. Any reasonable amounts paid by the Board for credit enhancement may generally be treated as interest on the Series 2012A Bonds for purposes of the Bond Yield computation to the extent permitted by the Regulations.

(iii) Subject to the special rules set forth in paragraphs (iv) and (v) below, the Board shall determine the amount of earnings received on all Nonpurpose Investments described in paragraph (i) above, for each Computation Date. In addition, where Nonpurpose Investments are retained by the Board after retirement of the Series 2012A Bonds, any unrealized gains or losses as of the date of retirement of the Series 2012A Bonds must be taken into account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

(iv) In determining the Rebate Amount computed pursuant to this Section, (A) certain earnings on any bona fide Debt Service Fund may be excluded, (B) the Universal Cap applicable to the Series 2012A Bonds pursuant to Section 1.148-6(b)(2) of the Regulations shall be taken into account, (C) all Board elections and other choices set forth in the Tax Compliance Certificate shall be taken into account, (D) any Transferred Proceeds shall be taken into account and (E) any spending exceptions to rebate under the Code and the Regulations met by the Board may be taken into account.

(v) For each Computation Date, the Board shall calculate for each Investment described in paragraphs (i) and (iii) above, an amount equal to the earnings which would have been received on such Investment at an interest rate equal to the Bond Yield as described in paragraph (ii) above. The method of calculation shall follow that set forth in the Regulations.

(vi) For each Computation Date, the Board shall determine the amount of earnings received on all Investments held in the Rebate Account for the

Computation Date. The method of calculation shall follow that set forth in the Regulations.

(vii) For each Computation Date, the Board shall calculate the Rebate Amount and any Yield Reduction Payments, by any appropriate method to be described in the Code and Regulations applicable or which becomes applicable to the Series 2012A Bonds. The determination of the Rebate Amount and any Yield Reduction Payments shall account for the amount equal to the sum of all amounts determined in paragraph (iii), all amounts determined in paragraphs (iv), (v), and (vi), and less any amount which has previously been paid to the United States.

(viii) If the sum of the Rebate Amount and any Yield Reduction Payments exceed the amount on deposit in the Rebate Account, the Board shall immediately deposit such amount into the Rebate Account.

4. **Payment to United States.**

(a) Not later than 60 days after each Installment Computation Date (or such longer period as may be permitted by the Regulations), the Board shall pay to the United States an amount that, when added to the Future Value as of such Computation Date of previous Rebate Amount payments made for the Series 2012A Bonds, equals at least 90% of the Rebate Amount and 100% of any Yield Reduction Payments required to be on deposit in the Rebate Account as of such payment date. No later than 60 days after the Final Computation Date, the Board shall pay to the United States an amount that, when added to the Future Value as of such Computation Date of previous rebate payments made for the Series 2012A Bonds, equals at least 100% of the balance remaining in the Rebate Account.

(b) The Board shall mail each payment of an installment to the Internal Revenue Service Center, Ogden Submission Processing Center, Ogden, Utah 84201. Each payment shall be accompanied by Internal Revenue Form 8038-T, and, if necessary, a statement summarizing the determination of the Rebate Amount and any Yield Reduction Payments. No form need be filed if the required rebate payment is \$-0-.

(c) If on any Computation Date, the aggregate amount earned on Nonpurpose Investments in which the Gross Proceeds of the Series 2012A Bonds are invested is less than the amount that would have been earned if the obligations had been invested at a rate equal to the Bond Yield, such deficit may be withdrawn from the Rebate Account. The Board may direct that any overpayment of Rebate Amount or Yield Reduction Payments may be recovered from any payments previously paid to the United States pursuant to Section 1.148-3(i) of the Regulations.

(d) The Board shall also pay any penalty or interest on underpayments of Rebate Amount or any Yield Reduction Payments not paid in a timely manner pursuant to the Code and the Regulations.

5. **Rebate Analyst.**

(a) The Board may appoint a Rebate Analyst and any successor Rebate Analyst for the Series 2012A Bonds, subject to the conditions set forth in this Section 6. The Rebate Analyst and each successor Rebate Analyst shall signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to the Board under which such Rebate Analyst will agree to discharge its duties pursuant to this Investment Instructions and the Tax Compliance Certificate in a manner consistent with prudent industry practice.

(b) The Rebate Analyst may at any time resign and be discharged of the duties and obligations by giving notice to the Board. The Rebate Analyst may be removed at any time by an instrument signed by the Board. The Board may, upon the resignation or removal of the Rebate Analyst, appoint a successor Rebate Analyst.

(c) Each Rebate Analyst shall be either a firm of independent accountants or Bond Counsel or another entity experienced in calculating Rebate Amount and Yield Reduction Payments required by Section 148(f) of the Code or the Regulations.

(d) In order to provide for the administration of the matters pertaining to arbitrage rebate calculations set forth herein and in the Tax Compliance Certificate, the Board may provide for the employment of the Rebate Analyst prior to November 1, 2016. The charges and fees for such Rebate Analyst shall be paid by the Board upon presentation of an invoice for services rendered in connection therewith.

6. **Recordkeeping.** In connection with any rebate requirement, the Board shall maintain the following records for a period of four years following the later of the redemption of the Series 2012A Bonds or any bonds issued to refund the Series 2012A Bonds:

(a) The Board shall record all amounts paid to the United States for the Series 2012A Bonds and the Refunded Bonds.

(b) The Board shall retain records of all rebate calculations made with respect to the Series 2012A Bonds and the Refunded Bonds.

(c) The Board shall retain documentation pertaining to any investment of proceeds of the Series 2012A Bonds, including the purchase and sale of securities, SLGS subscriptions and actual investment income received from the investment of proceeds and guaranteed investment contracts and the Refunded Bonds.

(d) The Board shall retain records and documentation pertaining to any private business use of the Refunded Projects.

7. **Rebate for the Refunded Bonds.** Within sixty (60) days of the final redemption date of each of the Refunded Bonds (i.e., within 60 days of [_____]), a final rebate calculation must be calculated in accordance with Section 148(f) of the Code.

8. **Change in Law.** These Instructions are based on law in effect as of this date, and we undertake no obligation to monitor or update the status of these Instructions. Statutory or regulatory changes, including but not limited to clarifying Regulations, may affect these Instructions.

Very truly yours,

KUTAK ROCK LLP

EXHIBIT C-1

**FORM OF DEALER CERTIFICATION OF BONA FIDE
BID PRICE OF A CERTIFICATE OF DEPOSIT**

I, [Name], [Position] of [Entity Providing the Certification] (the “Dealer”) HEREBY CERTIFY that the Dealer maintains an active secondary market in certificates of deposit of a type similar to that [sold/purchased] by the Dealer on behalf of the State Board for Community Colleges and Occupational Education (the “Board”), and that the price at which the certificate of deposit was [sold to/purchased from] the Board is the bona fide bid price quoted by the Dealer in an active secondary market maintained by the Dealer in such certificates of deposit.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20__.

By _____
Name _____
Title _____

EXHIBIT C-2

**FORM OF DEALER CERTIFICATION FOR A
CERTIFICATE OF DEPOSIT FOR WHICH
NO ACTIVE SECONDARY MARKET EXISTS**

I, [Name], [Position], of [Entity Providing Certificate] (the “Dealer”) HEREBY CERTIFY that there is no active secondary market in certificates of deposit of the type [sold/ purchased] on behalf of State Board for Community Colleges and Occupational Education [to/from] the Dealer (the “Certificate of Deposit”); that the yield on the Certificate of Deposit is as high or higher than the yield on comparable obligations traded on an active secondary market, and as high or higher than the yield available on reasonably comparable direct obligations offered by the United States Treasury; that the Dealer maintains an active secondary market in comparable certificates of deposit, and that this Certification is based on actual trades adjusted to reflect the size and term of the Certificate of Deposit and the stability and reputation of the person issuing it.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20__.

By _____
Name _____
Title _____

EXHIBIT C-3

**FORM OF PROVIDER CERTIFICATION
FOR A CERTIFICATE OF DEPOSIT**

I, [Name], [Position], of [Entity Providing the Certificate of Deposit] (the "Provider")
HEREBY CERTIFY that the yield on the Certificate of Deposit entered into on [DATE] is not
less than the highest yield that the Provider publishes or posts for comparable collateralized
certificates of deposit offered to the public (including other state and local governmental units).
The yield on the Certificate of Deposit is equal to ____% and the yield on the comparable direct
obligation offered by the United States Treasury is equal to ____%.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of
_____, 20__.

By _____
Name _____
Title _____

EXHIBIT C-4

**FORM OF PROVIDER CERTIFICATION
FOR AN INVESTMENT CONTRACT**

I, [Name], [Position], of [Entity Providing Investment Contract] (the “Provider”) HEREBY CERTIFY in connection with the investment contract between [Name] and the Provider dated as of [DATE] (the “Investment Contract”) that the yield on the Investment Contract is at least equal to the yield currently offered from the Provider on reasonably comparable investment contracts offered to other persons, if any, from a source of funds other than gross proceeds of an issue of tax-exempt bonds and that the amount of administrative costs that are reasonably expected to be paid by the Provider to third parties in connection with the Investment Contract is \$_____. For purposes of this certification, administrative costs include all brokerage or selling commissions paid by the Provider to third parties in connection with the Investment Contract, legal or accounting fees, investment advisory fees, recordkeeping, safekeeping, custody and other similar costs or expenses. The broker’s commission on similar fees paid on behalf of the issuer or the provider does not exceed the lesser of (i) \$[_____] or (ii) .2% of the amount of Gross Proceeds the Board expects, as of the date the investment contract is acquired, or, if such amount does not exceed \$4,000, then \$4,000.

I further certify that (a) neither the Provider nor any related party has a material interest in the tax-exempt bonds being issued by the State Board for Community Colleges and Occupational Education (the “Board”) in connection with the purchase of the Investment Contract, (b) the Provider has not been afforded the opportunity to review offers to the Board from other providers before making this offer to the Board, (c) the Provider did not consult with any other potential provider about this offer, (d) this offer was determined without regard to any other formal or informal agreement that the Provider has with the Board or any other person

(whether or not in connection with the bonds being issued by the Board), submitted solely as a courtesy to the Board or to any other person for purposes of satisfying the bidding requirements of Section 1.148-5(d)(6)(iii)(B)(1) or (2) of the U.S. Treasury Regulations relating to the yield and valuation of investments in connection with tax-exempt bonds, and (e) the Provider has established an industry reputation as a competitive provider of investment contracts such as the Investment Contract.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____,
_____.

By _____
Name _____
Title _____

EXHIBIT C-5

**FORM OF THE CERTIFICATION FOR A
CERTIFICATE OF DEPOSIT INVOLVING THREE BIDS**

I, [Name], [Position], of the State Board for Community Colleges and Occupational Education (the "Board"), HEREBY CERTIFY in connection with the certificates of deposit of the type purchased by the Board that such purchase was made pursuant to the Bond Resolution, dated _____, _____, adopted by the Board, after receipt of at least three bids and that the certificates of deposit were purchased from the highest bidder in an arm's-length transaction without regard to yield.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20__.

By _____
Name _____
Title _____

EXHIBIT C-6

FORM OF THE CERTIFICATION FOR AN INVESTMENT CONTRACT INVOLVING THREE BIDS

I [Name], [Position], of the State Board for Community Colleges and Occupational Education (the “Board” [or Agent], HEREBY CERTIFY in connection with the investment contract between the Board and [Entity Providing Investment Contract] (the “Provider”) dated as of [DATE] (the “Investment Contract”) that:

(a) the Board or its agent made a bona fide solicitation for the purchase of the investment. A bona fide solicitation is a solicitation that satisfies all of the following requirements: (i) the bid specifications are in writing and are timely forwarded to potential providers; (ii) the bid specifications include all material terms of the bid (a term is material if it may directly or indirectly affect the yield or the cost of the investment); (iii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Board or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the Board or any other person for purposes of satisfying the requirements of Section 1.148-5(d)(6)(iii)(B)(1) or (2) of the Regulations; (iv) the terms of the bid specifications are commercially reasonable, i.e., there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the investment; (v) the terms of the solicitation take into account the Board’s reasonably expected deposit and draw-down schedule for the amounts to be invested; (vi) all potential providers have an equal opportunity to bid and no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid; and (vii) at least three

reasonable competitive providers are solicited for bids (a reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased);

(b) the bids received by the Board meet all of the following requirements; (i) the Board received at least three bids from providers that the Board solicited under a bona fide solicitation meeting the requirements of paragraph (a) above that do not have a material financial interest in the issue, such as a lead underwriter, financial advisor or a related party of the Board (a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue); any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue; and a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue; (ii) at least one of the three bids was from a reasonably competitive provider, and (iii) if the Board used an agent to conduct the bidding process, the agent did not bid to provide in investment;

(c) the winning is the highest yielding bona fide bid (determined net of any broker's fees); and

(d) the provider of the investments or the obligor on the guaranteed investment contract has certified the administrative costs that it paid (or expects to pay, if any) to third parties in connection with supplying the investment.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20__.

By _____
Name _____
Title _____

EXHIBIT D

MEMORANDUM

TO: STATE OF COLORADO, DEPARTMENT OF HIGHER EDUCATION, BY
STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL
EDUCATION

FROM: KUTAK ROCK LLP

DATE: [____], 2012

RE: WRITTEN PROCEDURES WITH RESPECT TO THE CHANGE IN USE
RULES AND REMEDIAL ACTION REQUIREMENTS APPLICABLE TO
THE BOARD'S GENERAL OBLIGATION REFUNDING BONDS, SERIES
2011

Introduction

The purpose of this memorandum (this "Memorandum") is to set forth certain written procedures that may be required to be taken by State of Colorado, Department of Higher Education, by State Board for Community Colleges and Occupational Education (the "Issuer") with regard to the Issuer's above-captioned bonds (the "Series 2011 Bonds"). Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Tax Compliance Certificate, dated as of [____], 2012 (the "Tax Compliance Certificate"), executed and delivered by the Issuer in connection with the issuance of the Series 2011 Bonds.

Background

The maintenance of the status of the Series 2011 Bonds as tax-exempt obligations of the Board for purposes of federal tax law depends upon the Issuer's compliance with the requirements set forth in the Internal Revenue Code of 1986, as amended (the "Code") as described in the Tax Compliance Certificate (the "Tax Requirements"). *The purpose of this Memorandum is to set forth written procedures to be used in the event that the Issuer takes any deliberate actions not in compliance with the Tax Requirements (each, a "Deliberate Action") with respect to the Series 2011 Bonds, the Proceeds thereof or the Refunded Projects.*

Written Procedures Regarding Remedial Action.

If the Issuer takes any Deliberate Action subsequent to the issuance of the Series 2011 Bonds, then the Issuer will consult with nationally recognized bond counsel (“Bond Counsel”) regarding permissible Remedial Actions that may be taken to remediate the effect of any such Deliberate Action upon the federal tax status of the Series 2011 Bonds.

(a) *Conditions to Availability of Remedial Actions.* Unless Bond Counsel shall advise the Issuer otherwise, none of the Remedial Actions described in this Memorandum shall be available to the Issuer to remediate the effect of any Deliberate Action with respect to the Series 2011 Bonds unless the following conditions have been satisfied:

(i) The Issuer, as of the Date of Issuance, did not expect to satisfy either the private business tests or the private loan financing test of Section 141 of the Code and the Regulations thereunder for the entire term of the Series 2011 Bonds;

(ii) The Average Maturity of the Series 2011 Bonds did not, as of the Date of Issuance, exceed 120% of the Average Economic Life of the Refunded Projects;

(iii) Unless otherwise excepted under the Regulations, the Issuer shall deliver a certificate, instrument or other written records satisfactory to Bond Counsel demonstrating that the terms of the arrangement pursuant to which the Deliberate Action is taken is bona fide and arm’s length, and that the nongovernmental person using either the Refunded Projects or the Proceeds of the Series 2011 Bonds as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

(iv) Any disposition must be made at fair market value and any Disposition Proceeds actually or constructively received by the Issuer as a result of the Deliberate Action must be treated as Gross Proceeds of the Series 2011 Bonds and may not be invested in obligations bearing a yield in excess of the Bond Yield subsequent to the date of the Deliberate Action; and

(v) Proceeds of the Series 2011 Bonds affected by the Remedial Action must have been allocated to Expenditures for the Refunded Projects or other allowable a governmental purpose before the date on which the Deliberate Action occurs.

Conditions (i), (ii) and (v) were met at closing of the Series 2011 Bonds.

Remedial Actions may include the following types of actions and are subject generally to the below conditions. Please note that these procedures apply where the relevant obligations are all maturing or callable within [ten and one-half years (10.50)] of their date of issuance.

(b) *Types of Remedial Action.* Subject to the condition precedent that the Issuer obtain an opinion of Bond Counsel prior to the taking of any of the below actions to the effect that taking any of the below actions will not result in the creation or occurrence of an adverse tax event, the following types of Remedial Actions may be available to remediate a Deliberate Action subsequent to the issuance of the Series 2011 Bonds:

(i) Redemption or Defeasance of Series 2011 Bonds.

(A) If the Deliberate Action taken by the Issuer causing either the Private Business Use Test or the Private Loan Financing Test to be satisfied consists of a fair market value disposition of any portion of the Refunded Projects exclusively for cash, then the Issuer may allocate the Disposition Proceeds to the redemption of Nonqualified Series 2011 Bonds pro rata across all of the then-outstanding maturities of the Series 2011 Bonds at the earliest call date of such maturities of the Series 2011 Bonds after the taking of the Deliberate Action or, if any of the maturities of the Series 2011 Bonds outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, allocate the Disposition Proceeds to the establishment of a Defeasance Escrow for any such maturities of the Series 2011 Bonds within 90 days of the taking of such Deliberate Action.

(B) If the Deliberate Action taken by the Issuer consists of a fair market value disposition of any portion of the Refunded Projects for other than exclusively cash, then the Issuer may use any funds (other than Proceeds of the Series 2011 Bonds, any Build America Bonds issued by the Issuer, any obligations described in Section 6431 of the Code or proceeds of any obligation the interest on which is excludable from the gross income of the holders thereof for purposes of federal income taxation) for the redemption of all Nonqualified Series 2011 Bonds within 90 days of the date that the Issuer takes such Deliberate Action or, in the event that insufficient maturities of the Series 2011 Bonds are callable by the date which is within 90 days after the date of the Deliberate Action, then the Issuer may use such funds for the establishment of a Defeasance Escrow within 90 days of the date of the Deliberate Action for all of the maturities of the Nonqualified Series 2011 Bonds not callable within 90 days of the date of the Deliberate Action.

(C) If the Issuer creates a Defeasance Escrow for any maturities of Nonqualified Series 2011 Bonds which are not callable within 90 days of the date of the Deliberate Action, the Issuer shall provide written notice to the Commissioner of Internal Revenue Service at the times and places as may be specified by applicable regulations, rulings or other guidance issued by the Department of the Treasury or the Internal Revenue Service.

(ii) Alternative Use of Disposition Proceeds. Use by the Issuer of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Series 2011 Bonds if taken in conjunction with the opinion of Bond Counsel described in paragraph (b) of this Section:

(A) the Deliberate Action consists of a disposition of all or any portion of the Refunded Projects for not less than the fair market value thereof for cash;

(B) the Issuer reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;

(C) the Disposition Proceeds are treated by the Issuer as Proceeds of the Series 2011 Bonds for purposes of Section 141 of the Code and the Regulations thereunder, and the use of the Disposition Proceeds in the manner in which such Disposition Proceeds are in fact so used by the Issuer would not cause the Disposition Proceeds to satisfy the Private Activity Bond Tests;

(D) the Issuer does not take action after the date of the Deliberate Action to cause the Private Activity Bond Tests to be satisfied with respect to the Series 2011 Bonds, the Refunded Projects or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Regulations);

(E) Disposition Proceeds used in a manner that satisfies the Private Activity Bond Tests or which are not expended within two years of the date of the Deliberate Action must be used to redeem or defease Nonqualified Series 2011 Bonds in accordance with the requirements set forth in Section (b)(i) hereof; and

(F) In the event that Disposition Proceeds are to be used by any organization described in Section 501(c)(3) of the Code, the Issuer will consult with Bond Counsel as to any additional requirements which may be applicable.

(iii) Alternative Use of Refunded Projects. If the Issuer has obtained the opinion of Bond Counsel referenced in paragraph (b) of this Section and, subsequent to the Issuer's taking of any Deliberate Action with respect to all or any portion of the Refunded Projects:

(A) the portion of the Refunded Projects subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt bonds;

(B) the disposition of the portion of the Refunded Projects subject to the Deliberate Action is not financed by a person acquiring the Refunded Projects with proceeds of any obligation the interest on which is exempt from the gross income of the holders thereof under Section 103 of the Code for purposes of federal income taxation or an obligation described in Sections 54A-54F, 54AA or 6431 of the Code; and

(C) any Disposition Proceeds other than those arising from an agreement to provide services (including Disposition Proceeds arising from an installment sale) resulting from the Deliberate Action are used to pay the debt service on the Series 2011 Bonds on the next available payment date or, within 90 days of receipt thereof, are deposited into an escrow that is restricted as to the investment thereof to the Bond Yield to pay debt service on the Series 2011 Bonds on the next available payment date;

then the Issuer may be considered to have taken sufficient Remedial Actions under Section 1.141-12 of the Regulations to cause the Series 2011 Bonds to continue to be treated as qualified tax-exempt bonds.

(c) Absent an opinion of Bond Counsel, no Remedial Actions shall be available to remediate the satisfaction of the “private security or payment test” of Section 141(b) of the Code and the Regulations thereunder regarding the same with respect to the Series 2011 Bonds.

(d) Nothing herein shall prohibit the Issuer from taking any Remedial Actions not described herein that may become available subsequent to the Date of Issuance of the Series 2011 Bonds to remediate the effect of a Deliberate Action taken with respect to the Series 2011 Bonds, the Proceeds thereof or the Refunded Projects.

Additional Defined Terms

For purposes of this Memorandum, the following terms shall have the following meanings:

“*Commissioner*” means the Commissioner of Internal Revenue, including any successor person or body.

“*Defeasance Escrow*” means an irrevocable escrow established to redeem obligations on their earliest call date in an amount that, together with investment earnings thereon, is sufficient to pay all the principal of, and interest and call premium on, obligations from the date the escrow is established to the earliest call date. A Defeasance Escrow may not be invested in higher yielding investments or in any investment under which the obligor is a user of the Proceeds of the obligations.

“*Deliberate Action*” means any action, occurrence or omission by the Issuer that is within the control of the Issuer which causes either (1) the private business use test of Section 141(b) of the Code to be satisfied with respect to the Series 2011 Bonds or the Refunded Projects (without regard to the private security or payment test of Section 141(b) of the Code), or (2) the private loan financing test of Section 141(c) of the Code to be satisfied with respect to the Series 2011 Bonds or the Proceeds thereof. An action, occurrence or omission is not a Deliberate Action if (1) the action, occurrence or omission would be treated as an involuntary or compulsory conversion under Section 1033 of the Code, or (2) the action, occurrence or omission is in response to a regulatory directive made by the government of the United States.

“Disposition Proceeds” means any amounts (including property, such as an agreement to provide services) derived from the sale, exchange or other disposition of property (other than Investments) financed with the Proceeds of the Series 2011 Bonds.

“Nonqualified Series 2011 Bonds” means that portion of the Series 2011 Bonds outstanding at the time of a Deliberate Action in an amount that, if the outstanding Series 2011 Bonds were issued on the date on which the Deliberate Action occurs, the outstanding Series 2011 Bonds would not satisfy the Private Business Use Test or the Private Loan Financing Test, as applicable. For this purpose, the amount of private business use is the greatest percentage of private business use in any one-year period commencing with the Deliberate Action.

“Private Activity Bond Tests” means, collectively, the Private Business Use Test, the private security or payment test of Section 141(b)(2) of the Code and the Regulations thereunder, and the Private Loan Financing Test.

“Private Business Use Test” has the meaning set forth in Section 141(b)(1) of the Code.

“Private Loan Financing Test” has the meaning set forth in Section 141(c) of the Code.

“Remedial Action” means any of the applicable actions described in Section (b) hereof, or such other actions as may be prescribed from time to time by the Department of the Treasury or the Internal Revenue Service, which generally have the effect of rectifying noncompliance by the Issuer with certain provisions of Section 141 of the Code and the Regulations thereunder and are undertaken by the Issuer to maintain the federal tax status of the Series 2011 Bonds as qualified tax-exempt bonds.

Change in Law

This Memorandum is based on law in effect as of this date, and we undertake no obligation to monitor or update the status of this Memorandum. Statutory or regulatory changes, including but not limited to clarifying Regulations, may affect the matters set forth in this Memorandum.

KUTAK ROCK LLP

EXHIBIT E

SAVINGS INFORMATION

[INSERT]