NEW ISSUE
BOOK-ENTRY ONLY

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2013 Bonds are excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Also, in the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2013 Bonds is exempt from taxation for any state, county, school district, special district, municipal or other purpose in the State of Colorado. For a more complete description of such opinion of Bond Counsel and a description of certain provisions of the Code, which may affect the federal tax treatment of interest on the Series 2013 Bonds for certain registered owners of the Series 2013 Bonds, see “CERTAIN FEDERAL INCOME TAX CONSIDERATIONS” herein.

Dated: Date of Delivery
Due: November 1, as set forth herein

The State of Colorado, Department of Higher Education, by State Board for Community Colleges and Occupational Education Systemwide Revenue Bonds (Front Range Community College—Larimer & Westminster Campus Projects), Series 2013 (the “Series 2013 Bonds”), are being issued by the State Board for Community Colleges and Occupational Education (the “Board”) in accordance with certain provisions of the Colorado Revised Statutes, the Master Enterprise Bond Resolution adopted by the Board on December 9, 2009, and the Fourth Supplemental Resolution adopted by the Board on June 12, 2013 (collectively, the “Bond Resolution”). See “THE SERIES 2013 BONDS” herein.

The Series 2013 Bonds will be issued in fully registered form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC initially will act as securities depository for the Series 2013 Bonds. Individual purchases will be made in book-entry form only, and purchasers of beneficial interest in the Series 2013 Bonds (“the Beneficial Owners”) will not receive physical delivery of bond certificates, all as more fully described herein. The principal of and premium, if any, are payable by The Bank of New York Mellon Trust Company, N.A. as paying agent, to DTC. Interest on the Series 2013 Bonds is payable semiannually on May 1 and November 1 of each year, commencing November 1, 2013. DTC is required to remit such principal, premium and interest to its Participants, for subsequent disbursement to the Beneficial Owners of the Series 2013 Bonds, as more fully described herein. Capitalized terms not defined on this cover page have the meanings ascribed to them in this Official Statement or the Bond Resolution. See “THE SERIES 2013 BONDS—Book-Entry System” herein.

The Series 2013 Bonds will be issued initially in denominations of $5,000 and integral multiples thereof. The Series 2013 Bonds mature, bear per annum interest and are priced as set forth herein.

MATURED, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND CUSIPS ARE SHOWN ON THE INSIDE FRONT COVER.

The Series 2013 Bonds are subject to redemption prior to maturity as described herein. See “THE SERIES 2013 BONDS—Prior Redemption” herein.

The proceeds of the Series 2013 Bonds are being used to: (a) construct, improve, equip, renovate, expand and upgrade various campus facilities (the “Larimer Campus Project”); (b) construct, improve, equip, renovate, expand and upgrade various Westminster campus facilities including parking lot safety improvements and student center improvements (the “Westminster Campus Project”); (c) make any other capital improvements to the System (collectively, the Series 2013 Improvements Project); (d) fund capitalized interest on the Series 2013 Bonds; and (e) pay costs of issuance of the Series 2013 Bonds. See “PLAN OF FINANCING” herein.

THE SERIES 2013 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE BOARD, PAYABLE SOLELY FROM NET REVENUES (AS DEFINED HEREIN) DERIVED FROM OR IN RESPECT OF CERTAIN FACILITIES AND OPERATIONS OF THE SYSTEM. NET REVENUES ARE CALCULATED BY SUBTRACTING FROM THE GROSS REVENUES (AS DEFINED HEREIN) OPERATION AND MAINTENANCE EXPENSES (AS DEFINED HEREIN) AND CERTAIN DEBT SERVICE REQUIREMENTS ON PRIOR OBLIGATIONS (AS DESCRIBED HEREIN) OF THE BOARD THAT HAVE A SENIOR LIEN ON GROSS REVENUES (EXCLUDING GROSS REVENUES DERIVED FROM 10% OF TUITION REVENUES, INDIRECT COST RECOVERIES, FEES FOR THE PROVISION OF FACULTY AND STUDENT SERVICES, AND FEDERAL DIRECT PAYMENTS). THE BOARD HAS CLOSED OFF THE LIEN THAT SECURES THE PRIOR OBLIGATIONS AND NO ADDITIONAL PRIOR OBLIGATIONS MAY BE ISSUED UNDER THE PRIOR BOND RESOLUTIONS (AS DEFINED HEREIN).


This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Series 2013 Bonds. Investors are advised to read the entire Official Statement, including any portion hereof included by reference, to obtain information essential to the making of an informed decision.

The Series 2013 Bonds are offered when, as and if issued, subject to the approving opinion of Kutak Rock LLP, as Bond Counsel, and certain other conditions. Kutak Rock LLP has also acted as counsel to the Board in connection with the preparation of this Official Statement. BD Advisors, LLC is acting as financial advisor to the Board. It is expected that the Series 2013 Bonds will be issued and available for delivery through the facilities of DTC in New York, New York on or about July 10, 2013, against payment therefor.

This Official Statement is dated June ___, 2013.

Preliminary; subject to change.

4841-8833-3331.4
## Maturity Schedule*

### Serial Bonds

<table>
<thead>
<tr>
<th>Maturity Date (November 1)</th>
<th>Principal Amount</th>
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* Preliminary; subject to change.

¹ Copyright 2013, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by the CUSIP Service Bureau, managed on behalf of the American Bankers Association by Standard & Poor’s. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CUSIP service. CUSIP numbers have been assigned by an independent company not affiliated with the Board and are provided solely for convenience and reference. None of the Board, the System or the Underwriter takes responsibility for the accuracy of the CUSIP numbers.
STATE BOARD FOR COMMUNITY COLLEGES
AND OCCUPATIONAL EDUCATION

Board Members

John Trefny, Chair
Rich Martinez, Vice Chair
Maury Dobbie
Jim Johnson
Bernadette Marquez
Russ Meyer
Theresa Pena
Ken Weil
Jean White
Stephanie Irwin (non-voting faculty representative)
Ryan Manzanares (non-voting student representative)

Selected Administrative Officials

Nancy J. McCallin, President
Nancy Wahl, Esq., Legal Counsel and Vice President for Legal Affairs
Mark Superka, Vice President for Finance and Administration
Lisa Grefrath, System Controller

FINANCIAL ADVISOR

BD Advisors, LLC
Denver, Colorado

PAYING AGENT AND ESCROW AGENT

The Bank of New York Mellon Trust Company, N.A.
Denver, Colorado

BOND COUNSEL

Kutak Rock LLP
Denver, Colorado
THE BOARD HAS ENTERED INTO AN UNDERTAKING FOR THE BENEFIT OF THE OWNERS OF THE SERIES 2013 BONDS TO SEND IN AN ELECTRONIC FORMAT CERTAIN FINANCIAL INFORMATION AND OPERATING DATA AND TO PROVIDE NOTICE OF CERTAIN EVENTS TO THE MUNICIPAL SECURITIES RULEMAKING BOARD PURSUANT TO THE REQUIREMENTS OF SECTION (B)(5)(I) OF RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

NO DEALER, BROKER, SALESPERSON, OR OTHER PERSON HAS BEEN AUTHORIZED BY THE BOARD OR THE UNDERWRITER TO GIVE INFORMATION OR TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE SERIES 2013 BONDS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE BOARD, THE UNDERWRITER OR ANY OTHER ENTITY. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SERIES 2013 BONDS BY ANY PERSONS IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH JURISDICTION. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE SERIES 2013 BONDS.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, AND IT IS NOT TO BE CONSTRUED AS THE PROMISE OR GUARANTEE OF THE UNDERWRITER.

STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT WHICH INVOLVE ESTIMATES, FORECASTS OR MATTERS OF OPINION, WHETHER OR NOT EXPRESSLY SO DESCRIBED HEREIN, ARE INTENDED SOLELY AS SUCH AND ARE NOT TO BE CONSTRUED AS REPRESENTATIONS OF FACT. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE BOARD OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME SUBSEQUENT TO THE DATE HEREOF.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2013 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2013 BONDS AT A LEVEL ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2013 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2013 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2013 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT
BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2013 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE PRICES AT WHICH THE SERIES 2013 BONDS ARE OFFERED TO THE PUBLIC (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES APPEARING ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT. IN ADDITION, THE UNDERWRITER MAY ALLOW COMMISSIONS OR DISCOUNTS FROM SUCH INITIAL OFFERING PRICES TO DEALERS AND OTHERS.
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OFFICIAL STATEMENT

$22,470,000*
State of Colorado, Department of Higher Education, by State Board for
Community Colleges and Occupational Education
Systemwide Revenue Bonds
(Front Range Community College—Larimer & Westminster Campus Projects)
Series 2013

INTRODUCTION

General

This Official Statement, including its cover page, inside cover page, and appendices, provides information in connection with the issuance and sale of the State of Colorado, Department of Higher Education, by State Board for Community Colleges and Occupational Education Systemwide Revenue Bonds (Front Range Community College—Larimer & Westminster Campus Projects), Series 2013 (the “Series 2013 Bonds”), in the aggregate principal amount of $22,470,000*, issued by the State of Colorado, Department of Higher Education, by the State Board for Community Colleges and Occupational Education (the “Board”), pursuant to the Master Enterprise Bond Resolution adopted by the Board on December 9, 2009 (the “Master Resolution”), as supplemented to the date hereof by the Fourth Supplemental Resolution adopted by the Board on June 12, 2013 (the “Fourth Supplemental Resolution,” and together with the Master Resolution, the “Bond Resolution”). Capitalized terms used and not otherwise defined herein shall have as their respective meanings the definitions ascribed to such terms in the Bond Resolution unless the context shall clearly otherwise require. See “SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION” included as Appendix A hereto.

This introduction is not a summary of this Official Statement. It is only a description of and guide to, and is qualified by, more complete information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2013 Bonds to potential investors is made only by means of the entire Official Statement.

The Board

The State Board for Community Colleges and Occupational Education was established as a body corporate of the State of Colorado (the “State”) by the Colorado General Assembly (the “Assembly”) in 1967 pursuant to “The Community College and Occupational Education Act of 1967” to act as the governing board of the Colorado Community College System (the “System”). The System currently is comprised of 13 community colleges located throughout the State which operate within service areas assigned by the Colorado Commission on Higher Education (“CCHE”). The colleges of the System include: Arapahoe Community College, Colorado Northwestern Community College, Community College of Aurora, Community College of Denver, Front Range Community College, Lamar Community College, Morgan Community College, Northeastern Junior College, Otero Junior College, Pikes Peak Community College, Pueblo Community College, Red Rocks Community College and Trinidad State Junior College (collectively, the “Colleges”). The colleges of the System also operate as a consortium the Colorado College On Line.

* Preliminary; subject to change.
The annual full-time equivalent ("FTE") enrollment at the Colleges for the academic years 2009-10, 2010-11 and 2011-12 was 57,053, 62,940 and 62,341, respectively. Fall headcount enrollment for those same periods was 85,544, 94,085 and 94,526, respectively.

The Board’s responsibilities also include the administration of state and federal grants which support two local district community colleges, three area vocational schools and secondary school vocational educational programs in approximately 160 local school districts. See “THE SYSTEM.”

Purpose of the Issue

The proceeds of the Series 2013 Bonds are being used to: (a) construct, improve, equip, renovate, expand and upgrade various Larimer campus facilities (the “Larimer Campus Project”); (b) construct, improve, equip, renovate, expand and upgrade various Westminster campus facilities including parking lot safety improvements and student center improvements (the “Westminster Campus Project.”); (c) any other capital improvements to the System (collectively, the Series 2013 Improvements Project”); (d) fund capitalized interest on the Series 2013 Bonds; and (e) pay costs of issuance of the Series 2013 Bonds. See “PLAN OF FINANCING” herein.

Sources of Payment for the Series 2013 Bonds

Net Revenues. The Series 2013 Bonds are special, limited obligations of the Board, payable from Net Revenues (as defined herein). Net Revenues are calculated by determining the Gross Revenues (as described herein), less the debt service on the Prior Obligations (as described herein) and Operation and Maintenance Expenses (as described herein) not paid as part of the Prior Obligations. For a further description of the Prior Obligations and the Net Revenues, see “THE NET REVENUES” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS—Special Limited Obligations” and “—Outstanding Prior Obligations.” The payment of the Series 2013 Bonds will not be secured by an encumbrance, mortgage or other pledge of any property except Net Revenues. The Series 2013 Bonds do not constitute a general obligation of the Board or a debt or obligation of the State. The Bond Resolution prohibits the Board from issuing any additional bonds or other obligations with a lien on Net Revenues which is superior to the lien thereon of the Series 2013 Bonds.

No reserve fund has been established with respect to the Series 2013 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS—No Reserve Fund Requirement.”

The Board previously issued pursuant to the Master Resolution and the First Supplemental Resolution, adopted by the Board on December 9, 2009 (the “First Supplemental Resolution”), the State of Colorado, Department of Higher Education, by State Board for Community Colleges and Occupational Education Systemwide Revenue Refunding Bonds, Series 2010A, which are currently outstanding in the aggregate principal amount of $5,015,000 (the “Series 2010A Bonds”), the State of Colorado, Department of Higher Education, by State Board for Community Colleges and Occupational Education Systemwide Revenue Bonds (Colorado Northwestern Project and Northeastern Junior College Project), Series 2010B-1, which are currently outstanding in the aggregate principal amount of $440,000 (the “Series 2010B-1 Bonds”), and the State of Colorado, Department of Higher Education, by State Board for Community Colleges and Occupational Education Taxable Systemwide Revenue Bonds (Colorado Northwestern Project and Northeastern Junior College Project) (Build America Bonds—Direct Payment to the Board), Series 2010B-2 Bonds, which are currently outstanding in the aggregate principal amount of $9,665,000 (the “Series 2010B-2 Bonds”). The Board previously issued pursuant to the Master Resolution and the Second Supplemental Resolution, adopted by the Board on September 8, 2010 (the “Second Supplemental Resolution”), the State of Colorado, Department of Higher Education, by State Board for Community Colleges and Occupational Education Systemwide Revenue Bonds (Community
College of Denver Project and Pueblo Community College Project), Series 2010C which are currently outstanding in the aggregate principal amount of $5,830,000 (the “Series 2010C Bonds”), and the State of Colorado Department of Higher Education, by State Board for Community Colleges and Occupational Education Taxable Systemwide Revenue Bonds (Community College of Denver Project and Pueblo Community College Project) (Build America Bonds-Direct Payment to the Board), Series 2010D which are currently outstanding in the aggregate principal amount of $31,455,000 (the “Series 2010D Bonds,” and together with the Series 2010A Bonds, Series 2010B-1 Bonds, Series 2010B-2 Bonds and Series 2010C Bonds, the “Series 2010 Bonds”). The Board previously issued pursuant to the Master Resolution and the Third Supplemental Resolution, adopted by the Board on December 14, 2011 (the “Third Supplemental Resolution”) the State of Colorado, Department of Higher Education, by State Board for Community Colleges and Occupational Education Systemwide Revenue Refunding Bonds, Series 2012A which are currently outstanding in the aggregate principal amount of $11,010,000 (the “Series 2012 Bonds”). Pursuant to the Master Resolution, the Series 2010 Bonds, the Series 2012 Bonds and the Series 2013 Bonds have a parity lien on Net Revenues. The Series 2013 Bonds, together with the Series 2010 Bonds and the Series 2012 Bonds, and any additional bonds payable from the Net Revenues and secured with a lien thereon, are referred to herein collectively as the “Bonds.”

Pursuant to the Bond Resolution, the Board has the right, subject to certain stated conditions, to issue additional obligations under the Master Resolution payable from and secured by the Net Revenues (referred to herein as “Enterprise Obligations”), as provided in “THE SERIES 2013 BONDS—Additional Enterprise Obligations.” Gross Revenues (except for Gross Revenues derived from 10% of Tuition Revenues, indirect cost recoveries, fees for the provision of faculty and student services, and Federal Direct Payments) are subject to prior liens thereon in favor of the Prior Obligations as described in “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS—Net Revenues” and “—Outstanding Prior Obligations.”

Potential investors should be aware that debt service requirements and other amounts due in connection with the Outstanding Prior Obligations described in “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS—Outstanding Prior Obligations” will be paid as a first charge on Gross Revenues (except for Gross Revenues derived from 10% of Tuition Revenues, indirect cost recoveries, fees for the provision of faculty and student services, and Federal Direct Payments) and therefore have priority in payment to the Series 2013 Bonds.

Terms of the Series 2013 Bonds

Denominations and Payments. The Series 2013 Bonds will mature and bear interest as set forth on the inside cover page hereof and as more fully described in the Section entitled “THE SERIES 2013 BONDS.” The Series 2013 Bonds will be issued in fully registered form in the Authorized Denominations of $5,000 and integral multiples thereof. See “THE SERIES 2013 BONDS” herein.

Redemption. The Series 2013 Bonds are subject to optional redemption prior to maturity. All redemptions for the Series 2013 Bonds shall be in integral multiples of the Authorized Denominations thereof. See “THE SERIES 2013 BONDS—Prior Redemption.”

Book-Entry System

The Depository Trust Company, New York, New York (“DTC”) is acting as securities depository for the Series 2013 Bonds through its nominee, Cede & Co., to which principal and interest payments on the Series 2013 Bonds are to be made. One or more fully registered bonds in denominations in the aggregate equal to the principal amount per maturity of the Series 2013 Bonds will be registered in the name of Cede & Co. Individual purchases will be made in book-entry form only and purchasers of the
Series 2013 Bonds will not receive physical delivery of bond certificates, all as more fully described herein. Upon receipt of payments of principal and interest, DTC is to remit such payments to the DTC participants for subsequent disbursement to the beneficial owners of the Series 2013 Bonds. For a more complete description of the book-entry system, see “THE SERIES 2013 BONDS—Book-Entry System.”

For a more complete description of the Series 2013 Bonds and the Bond Resolution and other documents pursuant to which such Series 2013 Bonds are being issued, see “THE SERIES 2013 BONDS” and “SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION” in Appendix A hereto.

**Tax Matters**

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2013 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Also, in the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2013 Bonds is exempt from taxation for any state, county, school district, special district, municipal or other purpose in the State of Colorado. For a more complete description of such opinion of Bond Counsel and a description of certain provisions of the Code, which may affect the federal tax treatment of interest on the Series 2013 Bonds for certain registered owners of the Series 2013 Bonds, see “CERTAIN FEDERAL INCOME TAX CONSIDERATIONS” herein and Appendix C hereto.

**Authorization for Issuance**

The Institutional Enterprise is defined by the Bond Resolution to mean the System, as a whole, as an institution designated as an enterprise by the Board under the provisions of Sections 23-5-101.7, 23-5-102, 23-5-103, 23-5-104 and 23-5-105, Colorado Revised Statutes, as amended (collectively, the “Institutional Enterprise Act”). See “FINANCIAL INFORMATION CONCERNING THE SYSTEM—Financial Information—Institutional Enterprise Designation.” The Series 2013 Bonds are being issued pursuant to the Bond Resolution and under authority granted by the Institutional Enterprise Act; Sections 23-5-101.5, 23-5-102, 23-5-103, 23-5-104 and 23-5-105, Colorado Revised Statutes, as amended (collectively, the “Auxiliary Facilities Enterprise Act”); Sections 23-60-101, et seq., Colorado Revised Statutes, as amended (the “CCC Act”); Article 5, Title 23, Colorado Revised Statutes, as amended (the “Bond Act”); and Part 2, Article 57, Title 11, Colorado Revised Statutes, as amended (the “Supplemental Public Securities Act”).

**Professionals Involved in the Offering**

The Bank of New York Mellon Trust Company, N.A., in Denver, Colorado, will act as paying agent and registrar (the “Series 2013 Paying Agent” and the “Series 2013 Registrar”) under the Bond Resolution. At the time of issuance and sale of the Series 2013 Bonds, Kutak Rock LLP, as Bond Counsel, will deliver the opinion discussed under “CERTAIN FEDERAL INCOME TAX CONSIDERATIONS.” Kutak Rock LLP has also acted as counsel to the Board in connection with the preparation of this Official Statement. See also “LEGAL MATTERS.” BD Advisors, LLC is acting as financial advisor to the Board.

**Undertaking To Provide Ongoing Disclosure**

Upon issuance of the Series 2013 Bonds, the Board will deliver a Continuing Disclosure Undertaking in which it will agree, for the benefit of the owners and beneficial owners of the Series 2013 Bonds...
Bonds, to file with the Municipal Securities Rulemaking Board in an electronic format certain financial information and other operating data and to file notices of certain material events as set forth in Rule 15c2-12 promulgated by the Securities and Exchange Commission as described in “CONTINUING DISCLOSURE UNDERTAKING” and in “FORM OF CONTINUING DISCLOSURE UNDERTAKING” included as Appendix D hereto. The Board is currently in compliance with the terms of any undertaking previously entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

**Offering and Delivery of the Series 2013 Bonds**

The Series 2013 Bonds are offered when, as, and if issued and delivered, subject to the approving opinion of Bond Counsel and certain other conditions. It is expected that the Series 2013 Bonds will be issued and available for delivery through DTC in New York, New York on or about July 10, 2013, against payment therefore.

**Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The quotations from, and summaries and explanations of, the statutes, regulations and documents contained herein do not purport to be complete and reference is made to said laws, regulations and documents for full and complete statements of their provisions. Copies, in reasonable quantity, of such laws, regulations and documents may be obtained during the offering period, upon request to the Board and upon payment to the Board of a charge for copying, mailing and handling, at Colorado Community College System, 9101 East Lowry Boulevard, Denver, Colorado 80230-6011, Attention: President.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Series 2013 Bonds.

**FORWARD-LOOKING STATEMENTS**

This Official Statement contains statements relating to future results that are “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect,” “project,” “budget,” “plan” and similar expressions identify forward–looking statements.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Board does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

**THE SERIES 2013 BONDS**

General information describing the Series 2013 Bonds appears elsewhere in this Official Statement. That information should be read in conjunction with this summary, which is qualified in its
entirety by reference to the Bond Resolution and the forms of Series 2013 Bonds included therein. See “SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION” in Appendix A hereto.

General

The Series 2013 Bonds are being issued pursuant to the Bond Resolution, which constitutes an irrevocable contract between the Board and the owners of the Series 2013 Bonds. The Bond Resolution provides that the Board will not take any action by which the rights and privileges of any owner of any Series 2013 Bond might be impaired or diminished. The Series 2013 Bonds are being issued under the authority of and pursuant to the Bond Act, the Institutional Enterprise Act and the Supplemental Securities Act. The Series 2013 Bonds are dated as of their date of issuance and bear interest from such date to maturity, payable semiannually on each May 1 and November 1, commencing November 1, 2013. Principal on the Series 2013 Bonds is payable on November 1 in the years and in the amounts shown on the inside cover page of this Official Statement.

See “APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION” for a summary of certain provisions of the Bond Resolution, including, without limitation, certain covenants of the Board, the rights and duties of the Series 2013 Paying Agent, the rights and remedies of the Series 2013 Paying Agent, provisions relating to amendments of the Bond Resolution and procedures for defeasance of the Series 2013 Bonds.

Book-Entry System

The Depository Trust Company (“DTC”) will act as securities depository for the Series 2013 Bonds. The Series 2013 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2013 Bond certificate will be issued for each maturity of the Series 2013 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtcc.org.
Purchases of Series 2013 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2013 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2013 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2013 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2013 Bonds, except in the event that use of the book-entry system for the Series 2013 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2013 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2013 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time-to-time.

Redemption notices shall be sent to DTC. If less than all of the Series 2013 Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. nor any other DTC nominee will consent or vote with respect to Series 2013 Bonds unless authorized by a Direct Participant in accordance with DTC’s procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2013 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on Series 2013 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Board or the Series 2013 Paying Agent, on payable dates in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Series 2013 Paying Agent or the Board, subject to any statutory or regulatory requirements as may be in effect from time-to-time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the Board or the Series 2013 Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
DTC may discontinue providing its services as depository with respect to the Series 2013 Bonds at any time by giving reasonable notice to the Board or the Series 2013 Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2013 Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2013 Bond certificates will be printed and delivered to DTC.

The foregoing description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2013 Bonds, payment of principal, interest, and other payments on the Series 2013 Bonds to Direct Participants, Indirect Participants, or Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Series 2013 Bonds, and other related transactions by and between DTC, the Direct Participants, the Indirect Participants, and the Beneficial Owners is based solely on information provided by DTC. Such information has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof. Accordingly, no representations can be made concerning these matters and neither the Direct Participants, the Indirect Participants, nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be.

Prior Redemption

Optional Redemption of the Series 2013 Bonds. The Series 2013 Bonds maturing on and before November 1, 2023* are not subject to redemption prior to maturity. The Series 2013 Bonds maturing on and after November 1, 2024* are callable for redemption prior to maturity at the option of the Board, in whole or in part in integral multiples of $5,000, and if in part in such order of maturities as the Board shall determine and by lot within a maturity, on November 1, 2023*, and on any date thereafter, at a redemption price equal to the principal amount of such Series 2013 Bonds being redeemed plus accrued interest to the redemption date, without redemption premium.

No Mandatory Sinking Fund Redemption of the Series 2013 Bonds. The Series 2013 Bonds are not subject to mandatory sinking fund redemption prior to maturity.

Notices of Redemption to Bondholders; Conditional Calls. The Series 2013 Registrar will give notice of redemption, in the name of the Board, to Bondholders affected by redemption at least 30 days but not more than 60 days before each redemption and send such notice of redemption by first-class mail (or with respect to Series 2013 Bonds held by DTC by an express delivery service for delivery on the next following Business Day) to each owner of a Series 2013 Bond to be redeemed; each such notice will be sent to the owner’s registered address.

Each notice of redemption will specify the Series 2013 Bonds to be redeemed, the date of issue and the maturity date thereof, if less than all of the Series 2013 Bonds of a maturity are called for redemption, the numbers of the Series 2013 Bonds and the CUSIP number assigned to the Series 2013 Bonds to be redeemed, the principal amount to be redeemed and the interest rate applicable to the Series 2013 Bonds to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, the Series 2013 Paying Agent’s name, that payment will be made upon presentation and surrender of the Series 2013 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

* Preliminary; subject to change.
Failure to give any required notice of redemption as to any particular Series 2013 Bond will not affect the validity of the call for redemption of any Series 2013 Bond in respect of which no failure occurs. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, Series 2013 Bonds called for redemption become due and payable on the redemption date at the redemption price. In the event that funds are deposited with the Series 2013 Paying Agent sufficient for redemption, interest on the Series 2013 Bonds to be redeemed will cease to accrue as of the redemption date.

The Board may provide that if at the time of mailing of notice of an optional redemption there shall not have been deposited with the Series 2013 Paying Agent moneys sufficient to redeem all the Series 2013 Bonds called for redemption, such notice may state that it is conditional and subject to the deposit of the redemption moneys with the Series 2013 Paying Agent not later than the opening of business five Business Days prior to the scheduled redemption date, and such notice will be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption will be cancelled and on such cancellation date notice of such cancellation will be mailed to the holders of such Series 2013 Bonds, in the manner provided in the form of such Series 2013 Bonds.

**Effect of Redemption Call.** On the date so designated for redemption, notice having been given in the manner and under the conditions provided in the Bond Resolution and moneys for payment of the redemption price being held in trust to pay the redemption price, the Series 2013 Bonds so called for redemption will become due and payable on the respective redemption date, interest on the Series 2013 Bonds will cease to accrue from and after such redemption date, such Series 2013 Bonds will cease to be entitled to any lien, benefit or security under the Bond Resolution and the owners of such Series 2013 Bonds will have no rights in respect thereof except to receive payment of the redemption price. Series 2013 Bonds which have been duly called for redemption under this Section and for the payment of the redemption price of which moneys will be held in trust for the holders of the respective Series 2013 Bonds to be redeemed, all as provided in the Fourth Supplemental Resolution, will not be deemed to be Outstanding under the provisions of the Bond Resolution.

**Payment of Series 2013 Bonds Called for Redemption.** Upon surrender to the Series 2013 Paying Agent or the Series 2013 Paying Agent’s agent, Series 2013 Bonds called for redemption will be paid at the redemption price stated in the notice, plus, when applicable, interest accrued to the redemption date.

**Selection of Series 2013 Bonds for Redemption.** The Series 2013 Bonds are subject to redemption in such order of maturity as the Board may direct and by lot, selected in such manner as the Series 2013 Paying Agent deems appropriate, within a maturity.

The Board will determine the portion of any redemption to be made from each maturity of the Series 2013 Bonds; provided, however, that if less than all Series 2013 Bonds of a particular maturity are to be redeemed, the particular Series 2013 Bonds of such maturity to be redeemed will be chosen by the Series 2013 Paying Agent as herein described. In particular, if less than all the Series 2013 Bonds of a particular maturity will be called for redemption, the particular Series 2013 Bonds or portions of Series 2013 Bonds to be redeemed will be selected by lot or other random method by the Series 2013 Paying Agent in such manner as provided by the Bond Resolution; provided, however, that the portion of any Series 2013 Bonds to be redeemed will be in authorized denominations and that, in selecting Series 2013 Bonds for redemption, the Series 2013 Paying Agent will treat each Series 2013 Bond as representing that number of Series 2013 Bonds as is obtained by dividing the principal amount of such Series 2013 Bond by the minimum authorized denomination for such Series 2013 Bonds.
Additional Enterprise Obligations

**Parity Obligations.** The Board has previously issued pursuant to the Master Resolution and the First Supplemental Resolution, the Second Supplemental Resolution and the Third Supplemental Resolution, its Series 2010 Bonds, which are currently outstanding in the total aggregate principal amount of $52,405,000 and its Series 2012 Bonds, which are currently outstanding in the total aggregate principal amount of $11,010,000. The Series 2010 Bonds and the Series 2012 Bonds have a parity lien on the Net Revenues. The Series 2010 Bonds, the Series 2012 Bonds, the Series 2013 Bonds and any additional bonds payable from the Net Revenues and secured with a lien thereon on a parity with the lien of the Series 2010 Bonds, the Series 2012 Bonds and the Series 2013 Bonds, are referred to herein as the “Bonds.”

The Bond Resolution reserves to the Board the right, subject to stated conditions, to issue, from time-to-time, additional Enterprise Obligations payable from Net Revenues and secured with a lien thereon on a parity with the lien of the Series 2010 Bonds, the Series 2012 Bonds and the Series 2013 Bonds (“Parity Obligations”). Additional Parity Obligations may be issued only if the following conditions are met:

(a) The Board must not have defaulted in making any payments to the various funds created in connection with the issuance of the Bonds during the 12 calendar months immediately preceding the issuance of such Parity Obligations or, if none of the Bonds have been outstanding for a period of at least 12 calendar months, for the longest period any of the Bonds have been outstanding.

(b) The Net Revenues for the Fiscal Year immediately preceding the date of adoption of the resolution or other instrument authorizing the issuance of such additional Parity Obligations, adjusted as described in paragraph (c) below, would have been sufficient to pay an amount of not less than the Average Annual Debt Service Requirements with respect to all Bonds that will remain Outstanding following the issuance of such Parity Obligations, including the Parity Obligations to be issued.

(c) In determining whether or not Parity Obligations may be issued as aforesaid, there shall be added to the amount determined to be the Net Revenues for the preceding Fiscal Year referred to in paragraph (b) above, the amount, if any, estimated by the Board Representative to equal (i) the additional amount the Board expects to derive as a part of the Net Revenues during the first full Fiscal Year following the completion of the additions to, any improvements to, betterments of, enlargements of, or extensions of the Facilities (or any combination thereof), to be acquired with the proceeds of such additional Parity Obligations; (ii) the approval and imposition of any new fee or the increase of any existing fee relating to the Facilities (or any combination thereof) or the System which fee is pledged to secure the Bonds; or (iii) the additional revenues of the System, including any additional tuition amounts, which will be pledged in connection with the issuance of the additional Parity Obligations; provided that such anticipated amount is to be limited to the revenues estimated to be derived from estimated charges for the use of such additional Facilities, the estimated revenues of the new or additional fee or the estimated additional revenues to be pledged. The Net Revenues shall also be adjusted to take into account the refunding of any Prior Obligations, and shall also be increased, if any schedule of fee or rate increases shall have been adopted by resolution of the Board during the 12-month period immediately preceding the date of the adoption of the resolution authorizing such additional Parity Obligations, by an amount estimated to equal the difference between the Net Revenues actually received by the Board and the Net Revenues which the Board would have received during said 12-month period if the last of any such schedule of fee or rate increases had
been in effect during said entire preceding 12-month period. The adjustments described in this paragraph (c) shall be made by the Board Representative and her/his figures as to the adjustments, if any, in Net Revenues shall be conclusively presumed to be accurate.

(d) Such Parity Obligations shall have no right to, or lien on, any moneys or investments held in any Fund, account or subaccount other than the Revenue Fund.

(e) The Parity Obligation Instrument under which such Parity Obligations are issued incorporates the provisions of Article VII of the Bond Resolution, as applicable.

(f) Following the issuance of such Parity Obligations, such Parity Obligations shall be treated as Bonds to the fullest extent practicable, and debt service on such Parity Obligations shall be treated as debt service on Bonds for purposes of the Bond Resolution.

The Board is permitted to issue additional Parity Obligations for the purpose of refunding any Outstanding Bonds or any other obligations if (in addition to satisfying the requirements set forth above) the lien on Net Revenues of the Outstanding obligations so refunded is on a parity with or superior to the lien thereon of the refunding Bonds.

Subordinate Lien Obligations and Special Obligations. The Board also may, without compliance with the requirements described under “—Parity Obligations,” issue additional Enterprise Obligations payable from Net Revenues and secured by a lien thereon which is subordinate to the lien of the Series 2010 Bonds, the Series 2012 Bonds and the Series 2013 Bonds and/or, subject to certain limitations set forth in the Bond Resolution, special obligation bonds for the payment of which there are pledged (as a separate and independent pledge) revenues derived solely from the particular project acquired with the proceeds of such obligations.

No Additional Prior Lien Obligations. Pursuant to the Bond Resolution, the Board is not permitted to issue obligations payable from Net Revenues and having a lien thereon prior and superior to the Bonds (including obligations issued on a parity with, and secured by the same revenues as, the Prior Obligations). The Board has agreed in the Bond Resolution not to issue any bonds or obligations that are on a parity with the Prior Obligations. The Board has closed off the lien on the revenues that secure the Prior Obligations and no additional Prior Obligations may be issued.
PLAN OF FINANCING

Sources and Uses of Funds

The sources and uses of funds relating to the Series 2013 Bonds are set forth in the following table.

Sources:

Bond Proceeds:
- Par amount of Series 2013 Bonds
- Net Original Issue Premium

Total Sources

Uses:
- Deposit to Series 2013 Improvements Project
- Costs of Issuance

Total Uses

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1 See “—The Series 2013 Improvements Project” under this caption.
2 Costs of issuance include legal fees, paying agent fees, rating fees paid to the rating agencies, Underwriter’s discount and other costs. See “UNDERWRITING.”

Source: The Underwriter

The Series 2013 Improvements Project

Larimer Campus. A portion of the proceeds of the Series 2013 Bonds will be used at the Larimer Campus of Front Range Community College (the “Larimer Campus”) for the following projects:

Redcloud Peak. Proceeds will be used for the renovation of 21,000 square feet and new construction of 23,000 square feet at the Redcloud Peak building for a Computer Aided Design and Multimedia Graphic Design Center, and additional and improved facilities for art, music, theater, dance, natural resources, horticulture, general classrooms and administrative space. This will provide substantially improved learning environments for the art programs and address critical deficiencies in the building’s systems. The total project budget for this portion of the Series 2013 Improvements Project is approximately $10,400,000.

Mount Antero. Proceeds will be used for the renovation of 15,000 square feet and new construction of 11,400 square feet at the Mount Antero building for student study space, student meeting space, student lounge space, student club space, student services and administrative offices. Mount Antero’s central location and adjacency to the main central parking lot is the logical entrance point for students coming to campus and the project will provide a one-stop shop for student support services which include recruitment, career counseling, financial aid, admissions and records. The total project budget for this portion of the Series 2013 Improvements Project is approximately $5,000,000.

The improvements and renovations to these buildings were identified in the October 2012, Front Range Community College Master Plan and are being made to address program deficiencies at the Larimer Campus by providing an increase in classrooms, labs, faculty offices and student study spaces, as well as substantially improving student service space. The entire project will be delivered in four phases. Phase I will include a new Integrated Technology Building, Phase II will include renovation and new

* Preliminary; subject to change.
construction of the Redcloud Peak building and renovation of the Maroon Peak building, Phase III will include renovation and new construction of the Mount Antero building, and Phase IV will include renovation of the Blanca Peak building. The overall project budget is $24,727,000, of which a portion will be funded with $9,362,000 of institutional reserves (the “Reserves”). The Reserves will fund the new Integrated Technology Building for the welding and clean energy technology programs, renovation of the Maroon Peak building which houses the veterinary technology program, and the Blanca Peak building which houses the nursing and allied health program, business, and social and behavioral science programs. Approximately $15,400,000 of the Series 2013 Bond proceeds will fund those 2013 Improvements Project elements described above. Reserves, unspent and undesignated bond proceeds, and interest earnings will go towards the remodeling efforts identified in the Facilities Master Plan Update for the Larimer Campus dated October 2012 (and approved by the Board in November 2012.)

Westminster Campus. Proceeds of the Series 2013 Bonds will be used for the following components of the Series 2013 Improvements Project at the Westminster Campus of Front Range Community College (the “Westminster Campus”): (a) parking lot improvements required to complete safety related upgrades to the Westminster Campus with a total project budget of approximately $1,007,544; and (b) renovation and expansion of the student center with a total project budget of approximately $5,000,000. Student center improvements include new space for club meetings, a new multipurpose performance space, improved student life offices, general use conferencing spaces, a new coffee bar and lounge area, new quiet study rooms and presentation spaces, new family/companion restrooms, upgraded gym and fitness facilities, upgraded dining areas, upgraded game room, expanded computer access, and updated finishes and furniture.

In an effort to improve the automobile circulation, provide pedestrian safety improvements, fund the installation of a new traffic signal on 112th Avenue and provide additional parking spaces, the Westminster Campus identified various parking lot related projects totaling $1,907,544 and bundled them in two phases to match desired timing and funding sources. Phase I of the project which is currently underway and funded with $900,000 of parking lot auxiliary reserves includes building 116 of the approximate 200 new spaces on the north side of the Westminster Campus, converting the central lot access point into a right-in/right-out only, provide funding to the City of Westminster for a new traffic signal, and restriping and creating a new drive-through lane in the center lot to allow for safer auto and pedestrian circulation. The remaining parking lot improvements, identified as the Phase II improvements totaling $1,007,544, are required to complete the safety related upgrades and will be funded with proceeds of the Series 2013 Bonds. Phase II will make improvements to the center lot, install pedestrian-friendly walkways including the building’s main entry, rework the central entry’s roundabout to ease congestion, and build the remaining parking spaces on the northeast corner of the Westminster Campus.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS

Special, Limited Obligations

The Series 2013 Bonds are special, limited obligations of the Board, payable out of the Net Revenues described in “—Net Revenues” under this caption. See also “THE NET REVENUES.” In the Bond Resolution, the Board is covenanting to maintain and impose student fees, other fees, rental rates and other charges at the levels described in “SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION—Rate Covenant” in Appendix A hereto. The payment of the Series 2013 Bonds will not be secured by any encumbrance, mortgage or other pledge of any property, and any other moneys now or hereafter pledged for payment of the Series 2013 Bonds. The Series 2013 Bonds are not secured by a reserve fund. The Series 2013 Bonds will not constitute or become a debt or indebtedness of the State or the Board within the meaning of any constitutional or statutory provision or limitation, and the Series 2013 Bonds will not be considered or held to be general obligations of the Board. The Board has
previously issued pursuant to the Master Resolution, the First Supplemental Resolution, the Second Supplemental Resolution and the Third Supplemental Resolution the Series 2010 Bonds and the Series 2012 Bonds, which are secured with a lien on the Net Revenues on a parity with the lien thereon of the Series 2013 Bonds. In addition, the Board has the right, subject to specified conditions, to issue additional Bonds and incur Parity Obligations with a lien on Net Revenues on a parity with the lien thereon of the Series 2010 Bonds, the Series 2012 Bonds and the Series 2013 Bonds. See “—Additional Enterprise Obligations” under this caption. The Bond Resolution prohibits the Board from issuing any additional bonds with a lien on Net Revenues which is superior to the lien thereon of the Series 2010 Bonds, the Series 2012 Bonds and the Series 2013 Bonds.

**Net Revenues**

Net Revenues are defined by the Bond Resolution to be Gross Revenues less (a) the Prior Obligations, and (b) any Operation and Maintenance Expenses not paid as Prior Obligations. Gross Revenues include certain revenues, fees and charges pledged by the Board as described in “THE NET REVENUES—Generally.” All Gross Revenues are to be credited to the Revenue Fund, as described in “SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION—Flow of Funds” in Appendix A hereto. The Prior Obligations, that is, debt requirements and other requirements (including certain operation and maintenance expenses) due under the bond resolutions relating to the Prior Obligations (collectively referred to herein as the “Prior Bond Resolutions”), will be paid as a first charge, and Operation and Maintenance Expenses not otherwise paid as Prior Obligations will be paid from the Revenue Fund as a second charge, from the Gross Revenues (except for Gross Revenues derived from 10% of Tuition Revenues, indirect cost recoveries, fees for the provision of faculty and student services, and Federal Direct Payments). See “—Outstanding Prior Obligations” under this caption.

For information about the Net Revenues historically generated by the System, see “THE NET REVENUES—Historical Net Revenues and Debt Service Coverage.”

**No Reserve Fund Requirement for the Series 2013 Bonds**

Pursuant to the Bond Resolution, the Board may, but is not required to, establish a reserve requirement with respect to any series of Bonds issued thereunder. See “SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION—Reserve Fund” in Appendix A hereto. No reserve requirement will be established for the Series 2013 Bonds.

**Federal Direct Payments for the Series 2010B-2 Bonds and Series 2010D Bonds**

The Federal Direct Payments received in connection with the Series 2010B-2 Bonds and Series 2010D Bonds, if any, constitute Gross Revenues and thus are pledged to the payment of all Bonds outstanding under the Bond Resolution, including the Series 2013 Bonds. See INVESTMENT CONSIDERATIONS—Federal Direct Payments on the Series 2010B-2 Bonds and Series 2010D Bonds.”

**No Participation in State Intercept Program**

The Board has adopted a resolution stating that it will not participate in Higher Education Revenue Bond Intercept Program (the “State Intercept Program”), codified as Section 23-5-139, Colorado Revised Statutes, as amended. It is not anticipated that prior to the issuance of the Series 2013 Bonds the System will have the approvals necessary for utilization by the System of the State Intercept Program.
with respect to the Series 2013 Bonds. The Board has satisfied all requirements necessary for the issuance of the Series 2013 Bonds as set forth in this Official Statement.

**Outstanding Prior Obligations**

Net Revenues consist of Gross Revenues less (a) the Prior Obligations, and (b) Operation and Maintenance Expenses not paid as Prior Obligations.

The Prior Obligations payable as a first and prior charge on Gross Revenues (except for Gross Revenues derived from 10% of Tuition Revenues, indirect cost recoveries, fees for the provision of faculty and student services, and Federal Direct Payments) are the general operating expenses, principal and interest payments, reserve fund deposits and rebate requirements to be paid pursuant to the Prior Bond Resolutions.

Upon the issuance of the Series 2013 Bonds, the Prior Obligations will consist of the following obligations previously issued by the Board:

**Schedule of Prior Obligations**

<table>
<thead>
<tr>
<th>Series of Bonds</th>
<th>Principal Originally Issued</th>
<th>Principal Outstanding</th>
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<tbody>
<tr>
<td>Systemwide Revenue Bonds (Pikes Peak Community College Project), Series 2003</td>
<td>$4,900,000</td>
<td>$3,555,000</td>
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<td>Systemwide Revenue Refunding Bonds (Front Range Community College Project), Series 2004</td>
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<td>1,515,000</td>
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<td><strong>Total</strong></td>
<td><strong>9,595,000</strong></td>
<td><strong>5,070,000</strong></td>
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</tbody>
</table>

Source: The Board

Pursuant to the Bond Resolution, the Board is not permitted to issue additional obligations having a lien on the Net Revenues superior to the lien thereon in favor of the Series 2013 Bonds (including obligations that would be issued on a parity with the outstanding Prior Obligations). The Board has closed off the lien on the revenues that secure the Prior Obligations and has agreed not to issue any bonds on a parity with the Prior Obligations. See “THE NET REVENUES—Historical Net Revenues and Debt Service Coverage.”

**Rate Covenant**

The Board has covenanted in the Bond Resolution that, among other matters, while any Bonds are outstanding, and subject to applicable law, it will continue to impose such fees and charges as are included within the Gross Revenues (including student fees relating to the Facilities) and will continue the present operation and use of the System and associated Facilities and will cause to be established and maintained such reasonable fees, rental rates and other charges for the use of all Facilities and for services rendered by the System as will return Gross Revenues annually sufficient (a) to pay debt service on the Prior Obligations (as described herein under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS—Outstanding Prior Obligations”); (b) to pay any Operation and Maintenance Expenses which are not paid as part of the Prior Obligations; (c) to pay the annual Debt Service Requirements on the Bonds and any Parity Obligations payable from the Net Revenues; (d) to make deposits, if any, required in the Reserve Fund; and (e) to pay the annual Debt Service Requirements
of any obligations payable from the Net Revenues, in addition to the Bonds and any Parity Obligations, including without limitation any reserves required to be accumulated therefor or any reimbursement pursuant to a reserve fund insurance policy, surety bond, financial guaranty agreement and qualified exchange agreement relating thereto, as provided in the Bond Resolution. See “SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION—Rate Covenant” in Appendix A hereto.

**Additional Enterprise Obligations**

Additional Enterprise Obligations, including Parity Obligations secured with a lien on Net Revenues on a parity with the lien thereon in favor of the Bonds, may be issued by the Board, subject to certain stated conditions, as provided in “THE SERIES 2013 BONDS—Additional Enterprise Obligations.” The Parity Obligations listed in the table below are the only series of Bonds issued by the Board and outstanding as of the date hereof which will have a lien on the Net Revenues on parity with Series 2013 Bonds.

**Outstanding Parity Bonds**

<table>
<thead>
<tr>
<th>Name of Bonds</th>
<th>Original Principal Amount</th>
<th>Outstanding Principal Amount (as of the issuance of the Series 2013 Bonds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide Revenue Refunding Bonds, Series 2010A</td>
<td>$7,335,000</td>
<td>$5,015,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds (Colorado Northwestern Project and Northwestern Junior College Project), Series 2010B-1</td>
<td>830,000</td>
<td>440,000</td>
</tr>
<tr>
<td>Taxable Systemwide Revenue Bonds (Colorado Northwestern Project and Northeastern Junior College Project) (Build America Bonds–Direct Payment to the Board), Series 2010B-2</td>
<td>9,665,000</td>
<td>9,665,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds (Community College of Denver Project and Pueblo Community College Project), Series 2010C</td>
<td>6,545,000</td>
<td>5,830,000</td>
</tr>
<tr>
<td>Systemwide Revenue Bonds (Community College of Denver Project and Pueblo Community College Project) (Build America Bonds–Direct Payment to the Board), Series 2010D</td>
<td>31,455,000</td>
<td>31,455,000</td>
</tr>
<tr>
<td>State of Colorado, Department of Higher Education, by State Board for Community Colleges and Occupational Education Systemwide Revenue Refunding Bonds, Series 2012A</td>
<td>11,495,000</td>
<td>11,010,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$67,325,000</strong></td>
<td><strong>$63,415,000</strong></td>
</tr>
</tbody>
</table>

Source: The Board
THE NET REVENUES

Generally

The obligation of the Board to pay the principal of and interest on the Series 2013 Bonds is limited to the Net Revenues received by the Board annually. As a result, the ultimate ability of the Board to make payments on the Series 2013 Bonds depends on the operations of the System from or in connection with which the Net Revenues are derived. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS.” This section includes certain information regarding the related operations of the System which produces the Gross Revenues, as well as historical information about Operation and Maintenance Expenses which will be deducted as a second charge against Gross Revenues. Potential investors should be aware that debt service requirements and other amounts due in connection with the Outstanding Prior Obligations described in “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS—Outstanding Prior Obligations” will be paid as a first charge on the Gross Revenues (except for Gross Revenues derived from 10% of Tuition Revenues, indirect cost recoveries, fees for the provision of faculty and student services, and Federal Direct Payments) and therefore have priority in payment to the Series 2013 Bonds.

Gross Revenues. The following income, revenues and fees have been included in Gross Revenues and shall be deposited to the Revenue Fund:

(a) the income and revenues derived by the Institutional Enterprise from the Facilities;

(b) all revenues derived from any special fee (or that portion of any general fee) now or hereafter assessed against students with respect to any facility which is at the time included within the applicable definition of Facilities and any other fee, rate or other charge assessed against employees or any other persons, for the privilege of using or otherwise relating to any applicable Facility;

(c) all revenues accruing to the System from “overhead” charges on research contracts performed within the System facilities (“indirect cost recoveries”);

(d) 10% of Tuition Revenues;

(e) all revenues derived from Facilities Construction Fees;

(f) all revenues derived from mandatory fees for the provision of student and faculty services within the System;

(g) Federal Direct Payments;

(h) all earnings on all funds and accounts, if any, created under the Master Resolution or any Supplemental Resolution (excluding the Rebate Fund); and

(i) such other income, fees and revenues as the Board hereafter determines, by resolution and without further consideration from the owners of the Bonds, to include in Gross Revenues, pursuant to law then in effect and not in conflict with the provisions of the Master Resolution or any Supplemental Resolution.
The term Gross Revenues does not include any Released Revenues or any general fund moneys appropriated by the State General Assembly or any moneys derived from any general (ad valorem) tax levied against property by the State or any instrumentality thereof. Released Revenues under the Resolution means revenues otherwise included in Gross Revenues in respect of which certain documents described under the caption “Released Revenues” have been filed with the Secretary of the Board. Further information about each of these categories of revenues is provided below.

Operation and Maintenance Expenses. Operation and Maintenance Expenses are defined by the Master Resolution generally to be (a) all reasonable and necessary current expenses of the System, paid or accrued, for operating, maintaining and repairing the Facilities, and shall include, without limiting the generality of the foregoing, legal and incidental expenses of the various departments within the System directly related and reasonably allocable to the administration of the Facilities; (b) insurance premiums; (c) the reasonable charges of any paying agent or depositary bank; (d) contractual services; (e) professional services required by the Master Resolution and the related Supplemental Resolutions; and (f) salaries and administrative expenses, labor, and all costs incurred by the Board in the collection of Gross Revenues, but excluding: (i) any allowance for depreciation and other non-cash, non-accrual accounting adjustments; (ii) any internal charges for administrative overhead; (iii) any costs of reconstruction, improvements, extensions or betterments; (iv) any accumulation of reserves for capital replacements; (v) any reserves for operation, maintenance or repair of any Facilities; (vi) any allowance for the redemption of any bond or security evidencing a loan or payment of any interest thereon; and (vii) any legal liability not based on contract.

Released Revenues. The following documents may be filed with the Secretary of the Board in order to release certain revenues from Gross Revenues in accordance with the Bond Resolution:

(a) a duly adopted Supplemental Resolution describing the revenues to be excluded from the computation of Gross Revenues (a “Release Supplemental Resolution”), and authorizing the exclusion of such revenues from such computation;

(b) a written certification by the Board Representative to the effect that Net Revenues in the two most recent completed Fiscal Years, after the revenues covered by the Release Supplemental Resolution described in clause (a) above are excluded, were at least equal to the Average Annual Debt Service Requirements with respect to all Bonds that will remain Outstanding after the exclusion of such revenues;

(c) an opinion of Bond Counsel to the effect that the exclusion of such revenues from the computation of Gross Revenues and from the pledge and lien of the Bond Resolution will not, in and of itself, cause the interest on any Outstanding Bonds to be included in gross income for purposes of federal income tax; and

(d) written confirmation from each of the rating agencies then rating the Bonds to the effect that the exclusion of such revenues from the pledge and lien of the Bond Resolution will not, in and of itself, cause a withdrawal or reduction in any unenhanced rating then assigned to the Bonds.

Upon filing of such documents, the revenues described in any Supplemental Resolution shall no longer be included in the computation of Gross Revenues and shall be excluded from the pledge and lien of the Bond Resolution. No revenues have been released as of the date of this Official Statement.
Tuition Revenues

Tuition Revenues are defined by the Bond Resolution to be the tuition revenues of the System derived from charges to students for the provision of general instruction by the colleges comprising the System, whether collected or accrued, and not including any general fund moneys appropriated by the general assembly of the State. Gross Revenues include 10% of such Tuition Revenues received by the System. Tuition Revenues, net of scholarship allowance, for the Fiscal Year ended June 30, 2012 were $234,075,160 which would have resulted in a pledge of $23,407,516 as part of the Gross Revenues for Fiscal Year 2012. The Tuition Revenues amount shown herein is adjusted from tuition and fees as reported in the System’s financial statements by certain fees, tuition waivers and scholarship allowance amounts that do not appear as separate line items in the System’s audit.

The Board establishes tuition rates according to its internal policies, which comply with guidelines established by the CCHE. Tuition rates for Colorado resident students have historically been uniform across the System. For the 2012–13 academic year, the Board adopted tuition rates are $112.75 per credit hour for resident students and $462.55 per credit hour for non-resident students. An exception is made at the five colleges which provide residential facilities, Colorado Northwestern Community College, Lamar Community College, Northeastern Junior College, Otero Junior College and Trinidad State Junior College, in order to encourage the enrollment of more full-time students and higher use of the dormitories. At these five schools, non-resident tuition is $223.45 per credit hour. Historically, resident students make up approximately 94% of total enrollment at the Colleges.

The per-year tuition and fees charges for the 2012-13 school year for the 13 colleges are as follows:

**2012-13 Tuition Full-Time**

<table>
<thead>
<tr>
<th>College</th>
<th>Resident $</th>
<th>Non-Resident $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arapahoe Community College</td>
<td>3,382.50</td>
<td>13,876.50</td>
</tr>
<tr>
<td>Colorado Northwestern CC</td>
<td>3,382.50</td>
<td>6,703.50</td>
</tr>
<tr>
<td>Community College of Aurora</td>
<td>3,382.50</td>
<td>13,876.50</td>
</tr>
<tr>
<td>Community College of Denver</td>
<td>3,382.50</td>
<td>13,876.50</td>
</tr>
<tr>
<td>Front Range Community College-W</td>
<td>3,382.50</td>
<td>13,876.50</td>
</tr>
<tr>
<td>Lamar Community College</td>
<td>3,382.50</td>
<td>6,703.50</td>
</tr>
<tr>
<td>Morgan Community College</td>
<td>3,382.50</td>
<td>13,876.50</td>
</tr>
<tr>
<td>Northeastern Junior College</td>
<td>3,382.50</td>
<td>11,098.50</td>
</tr>
<tr>
<td>Otero Junior College</td>
<td>3,382.50</td>
<td>6,703.50</td>
</tr>
<tr>
<td>Pikes Peak Community College</td>
<td>3,382.50</td>
<td>13,876.50</td>
</tr>
<tr>
<td>Pueblo Community College</td>
<td>3,382.50</td>
<td>13,876.50</td>
</tr>
<tr>
<td>Red Rocks Community College</td>
<td>3,382.50</td>
<td>13,876.50</td>
</tr>
<tr>
<td>Trinidad State Junior College-T</td>
<td>3,382.50</td>
<td>6,703.50</td>
</tr>
</tbody>
</table>

1 Tuition 15 semester hours for two semesters.
Source: The Board

Fees

Under the Bond Resolution all revenues derived from mandatory fees for the provision of student and faculty services within the System constitute a portion of Gross Revenues. Net pledged auxiliary fee revenues for the Fiscal Year ended June 30, 2012 were $7,161,262. Certain registration fees are proposed
directly by the Board. In general, however, fees are proposed by the Colleges, but also must be approved by the Board pursuant to its internal policies and subject to CCHE guidelines. State law requires student approval of certain student fees. The per-year mandatory fee charges for the 2012-13 school year for the 13 colleges are as follows:

2012-13 Fees - Full-Time

<table>
<thead>
<tr>
<th>Fees</th>
<th>15 hours for 2 semesters.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arapahoe Community College</td>
<td>$192</td>
</tr>
<tr>
<td>Colorado Northwestern CC</td>
<td>280</td>
</tr>
<tr>
<td>Community College of Aurora</td>
<td>185</td>
</tr>
<tr>
<td>Community College of Denver</td>
<td>729</td>
</tr>
<tr>
<td>Front Range Community College</td>
<td>230</td>
</tr>
<tr>
<td>Lamar Community College</td>
<td>402</td>
</tr>
<tr>
<td>Morgan Community College</td>
<td>175</td>
</tr>
<tr>
<td>Northeastern Junior College</td>
<td>596</td>
</tr>
<tr>
<td>Otero Junior College</td>
<td>287</td>
</tr>
<tr>
<td>Pikes Peak Community College</td>
<td>283</td>
</tr>
<tr>
<td>Pueblo Community College</td>
<td>529</td>
</tr>
<tr>
<td>Red Rocks Community College</td>
<td>285</td>
</tr>
<tr>
<td>Trinidad State Junior College</td>
<td>435</td>
</tr>
</tbody>
</table>

Source: The Board

Historical Net Revenues and Debt Service Coverage

Prior Obligations. Net auxiliary revenues pledged to the payment of the Prior Obligations for the Fiscal Year ended June 30, 2012 totaled $7,161,262, which provided coverage of 8.72 times the Average Annual Debt Service ($820,803) on all the Board’s Prior Obligations. Set forth below is a table illustrating the net auxiliary revenues of the System pledged to the payment of the Prior Obligations and the debt service coverage on the Board’s Prior Obligations for the past five Fiscal Years. Pursuant to the Bond Resolution, the Board has closed off the lien on the auxiliary revenues that secure the Prior Obligations and has agreed not to issue any bonds on a parity with the Prior Obligations. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS—Outstanding Prior Obligations.”

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Pledged Auxiliary Revenues</td>
<td>$4,138,538</td>
<td>$5,804,764</td>
<td>$8,167,088</td>
<td>$8,287,502</td>
<td>$7,161,262</td>
</tr>
<tr>
<td>Prior Obligation Debt Service</td>
<td>1,836,500</td>
<td>1,831,481</td>
<td>1,744,250</td>
<td>824,012</td>
<td>820,803</td>
</tr>
<tr>
<td>Coverage</td>
<td>2.25x</td>
<td>3.17x</td>
<td>4.68x</td>
<td>10.06x</td>
<td>8.72x</td>
</tr>
</tbody>
</table>

1 The large reduction in annual debt service in Fiscal Year 2011 is the result of the refunding of $7,240,000 in aggregate principal amount of Prior Obligations with proceeds of the Series 2010 Bonds.

Source: The Board
**Parity Obligations.** Total maximum annual debt service on the Series 2013 Bonds and the Outstanding Parity Obligations, without netting out any Federal Direct Payments expected to be received in connection with the Series 2010B-2 Bonds and the Series 2010D Bonds, will occur in Fiscal Year 2017 in the amount of $6,905,918.* Set forth below is a table illustrating the Net Revenues pledged to the payment of the outstanding Parity Obligations and the debt service coverage on the Board’s Parity Obligations for the past two Fiscal Years. Utilizing Fiscal Year ended June 30, 2012 financial data, Net Revenues (including 10% of Tuition Revenues) equaled $31,285,908, and, after the payment of the maximum annual debt service on the Prior Obligations (which occurs in Fiscal Year 2016 in the amount of $828,086), would equal $30,457,822. This produces a debt service coverage ratio of 4.40x* of the maximum annual debt service on the Series 2013 Bonds and the Outstanding Parity Obligations. See “—Facilities Construction Fees” under this Section.

**Indirect Cost Recoveries**  
*(Facilities & Administrative Expense)*

The Bond Resolution includes in Gross Revenues, to the extent available, indirect cost recoveries (facilities and administrative expense) payable pursuant to research contracts and grants which are performed under the auspices of the System. The federal Department of Health and Human Services is the cognizant agency that reviews, negotiates, and approves the System’s allowable indirect cost rate which is calculated in accordance with OMB Circular A21. There is no assurance that the System’s negotiated rate will remain the same or increase in the future, or will stay in effect for a period beyond one year. Indirect cost recovery revenue from the Colleges and the System office is minimal on an annual basis and varies year-to-year depending on federal grant revenues.

**Facilities Construction Fees**

Gross Revenues include all revenues derived by the System from any Facility Construction Fees. “Facilities Construction Fees” are defined by the Bond Resolution to mean any campus building fees or charges relating to academic capital projects as may be authorized by the Board from time-to-time. For FY 2011-12, the Board authorized two new facility construction fees based on prior student vote approval. The Board authorized a fee of $7.00 per credit hour per semester to be implemented for the fall 2010 semester for the Pueblo Community College campus, and an additional fee of $2.00 per credit hour per semester to be implemented for the fall 2010 semester (such fee to increase annually by $2.00 per credit hour per semester until the fee is $8.00 per credit hour per semester in fall 2013 and thereafter) for the Community College of Denver campus. In March 2013, students at the Larimer campus approved a repurposing of the Student Center Bond Fee of $5.18 per credit hour (capped at 12 credit hours per semester) to provide continuing support of the Long’s Peak Student Center building maintenance and approved a new additional tiered per credit hour fee (capped at 12 credit hours) of $3 beginning fall 2013, $5 in fall 2014, and $7 in fall 2015 to help support the construction of new space and the renovation of existing space on the Larimer campus. The construction portion of this fee will be charged for a minimum of 15 years and a maximum of 25 years. The ongoing building maintenance portion of the fee will be a permanent fee. In March 2013, students at the Westminster campus approved the repurposing of the current Student Center Bond Fee of $31.08 per student per semester and also approved an additional per semester per credit hour fee of $4.00 for a minimum of 15 years and a maximum of 25 years for the purpose of constructing new and improved parking for students and provide for continued operational support and additional renovation of the Student Center.

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* Preliminary; subject to change.
* Preliminary; subject to change.
INVESTMENT CONSIDERATIONS

General

There are a number of factors affecting institutions of higher education in general, including the Colleges and the System as a whole, that could have an adverse effect on the System’s financial position and its ability to make the payments required under the Bond Resolution. These factors include, but are not limited to, the continuing rising costs of providing higher education services; competition for students from other institutions of higher education; the failure to maintain or increase in the future the funds obtained by the Board from other sources, including gifts and contributions from donors, grants, or appropriations from governmental bodies and income from investment of endowment funds and operating funds; adverse results from the investment of endowment funds and operating funds; increasing costs of compliance with federal or State laws or regulations, including, without limitation, laws or regulations concerning environmental quality, work safety and accommodating the disabled; changes in federal governmental policy relating to the reimbursement of overhead costs of government contracts; any unionization of the System’s work force with consequent impact on wage scales and operating costs of the System; and legislation or regulations which may affect student aid and other program funding. The Board cannot assess or predict the ultimate effect of these factors on its operations or financial results.

Special, Limited Obligations

The Series 2013 Bonds are special, limited obligations of the Board payable and collectible solely out of the Net Revenues, which are pledged for that purpose to the extent provided in the Series 2013 Bond Resolution. The registered owners of the Series 2013 Bonds may not look to any general or other fund for the payment of the principal of, premium, if any, or interest on the Series 2013 Bonds, except the Net Revenues. The payment of the Series 2013 Bonds will not be secured by an encumbrance, mortgage or other pledge of any property, except the Net Revenues. The Series 2013 Bonds will not constitute or become a debt or indebtedness of the State or the Board within the meaning of any constitutional or statutory provision or limitation and will not be considered or held to be general obligations of the Board, but will constitute its special, limited obligations. The Series 2010 Bonds, the Series 2012 Bonds and the Series 2013 Bonds have a first claim and lien on the Net Revenues, which lien is not necessarily exclusive. The Board has the right, subject to specified conditions, to issue Additional Parity Bonds on a parity with the Series 2010 Bonds, the Series 2012 Bonds and the Series 2013 Bonds. The Board also has the right, subject to specified conditions, to issue bonds or other obligations for any legal purpose, including purposes of similar character to those authorized by the Bond Resolution, and to pledge to the payment thereof (as a separate and independent pledge) such revenues as will be derived solely from the particular project financed. See generally “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS.”

In the event the Net Revenues pledged to secure the Series 2013 Bonds are insufficient to pay the principal of, premium, if any, or interest on Series 2013 Bonds, neither the State, the Board nor the Colleges will have any obligation to make such payments.

Future Facilities Utilization

The amount of Gross Revenues available for the payment of Current Expenses and the payment of debt service on the Series 2013 Bonds will be affected by the future levels of enrollment and utilization of the Facilities and the rates and charges that the Board can reasonably impose in connection with the use of such Facilities. The availability of alternative facilities at competitive rates may have an adverse impact on the level of utilization of the Facilities and on the ability of the Board to adjust fees and rates in the future.
Future Enrollment

The amount of Net Revenues available for the payment of debt service on the Series 2013 Bonds will be affected by the future levels of enrollment and the Facilities Construction Fee that the Board can reasonably impose.


The Board designated the Series 2010B-2 Bonds and Series 2010D Bonds as “Build America Bonds” (the “Build America Bonds”) for the purposes of the Federal Recovery Act and the Code and to receive cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the Build America Bonds. Such cash subsidy payments constitute Federal Direct Payments, which Federal Direct Payments constitute Gross Revenues pledged to the payment of all Bonds outstanding under the Bond Resolution, including the Series 2013 Bonds.

The priority of the United States Treasury making the cash subsidy payment is the same as the United States Treasury refunding overpayments of tax. In the event that the Board does not receive the Federal Direct Payments in a timely fashion, then the Board is obligated to pay such amounts from other Revenues. The Code imposes requirements on the Build America Bonds that the Board must continue to meet after the Build America Bonds are issued in order to receive the Federal Direct Payments. These requirements generally involve the way that Build America Bond proceeds must be invested and ultimately used, and the periodic submission of requests for payment. If the Board does not meet these requirements, it is possible that the Board may not receive the Federal Direct Payments. No assurance is given that the Federal Direct Payments will be received. To date, all Federal Direct Payments have been received by the Board in full. However, beginning March 1, 2013, the Federal Direct Payments the Board receives with respect to the Series 2009B Bonds and the Series 2010B Bonds will be reduced for fiscal year 2013 and may be reduced in future years. For further information on the reduction, see “INVESTMENT CONSIDERATIONS—Implications of Federal Sequestration” below. No assurance may be given that the details relating to the implementation of the sequestration order and its impact will not materially change.

The Internal Revenue Service (“IRS”) has implemented an examination program for certain types of bonds that qualify for direct federal subsidies and no assurance can be given that the Series 2009B Bonds and the Series 2010B Bonds will not be selected for a more detailed or comprehensive examination. In the event the IRS files a proposed adverse determination letter as a result of such an examination, announced IRS policy is to suspend payment to the Board of the Build America Bonds’ credit pending a final determination of the qualification of the Build America Bonds. Suspension of the credit payment may result in an impairment of security for the Bonds and adversely affect the Board’s ability to make full and timely payment.

Furthermore, in certain circumstances, the cash subsidy payment to be made to the Board may be reduced (offset) by amounts determined to be applicable under the Code and regulations promulgated thereunder. For example, offsets may occur by reason of any past-due legally enforceable debt of the Board to any Federal agency. The amount of any such offsets is not predictable but the Board does not currently expect that any such offsets will apply to the credits the Board expects to receive.
Implications of Federal Sequestration

The Board receives federal revenues through student aid. In addition, as described herein under “INVESTMENT CONSIDERATIONS—Federal Subsidy Payments for Build America Bonds,” the Board receives interest subsidy payments from the United States Treasury in connection with its Build America Bonds. The Federal Budget Control Act of 2011 (the “Budget Control Act”) passed by the U.S. Congress required the enactment of a plan to reduce the federal deficit by $1.2 trillion over a ten-year period and automatic budget cuts referred to as “sequestration” to go into effect on January 2, 2013 if such enactment did not take place. On January 2, 2013, while such a plan was not enacted, Congress passed the American Taxpayer Relief Act of 2012 (the “Relief Act”) which addressed certain revenue and spending issues and delayed the sequestration until March 1, 2013. On March 1, 2013, the President signed the executive order reducing the budgetary authority in accounts subject to sequester. The order requires that the budget authority for all accounts in the non-exempt, nondefense mandatory spending category, which includes payments to issuers of direct-pay bonds (including Build America Bonds), be reduced for the federal fiscal year ending on September 30, 2013. On March 4, 2013, the IRS published a statement providing that the amount of such payments to issuers of direct-pay bonds are subject to an 8.7% reduction that will be applied until the end of such fiscal year or intervening Congressional action, at which time the sequestration rate is subject to change.

No assurance may be given that the details relating to the implementation of the sequestration order and its impact will not materially change.

Enforceability of Remedies

The remedies available upon an event of default under the Bond Resolution are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions the remedies provided for under the Bond Resolution may not be readily available or may be limited. The Series 2013 Bonds may be subject to general principles of equity which may permit the exercise of judicial discretion; are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State; are subject, in part, to the provisions of the United States Bankruptcy Code and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect; and are subject to the exercise by the United States of the powers delegated to it by the federal Constitution. The various legal opinions to be delivered concurrently with the delivery of the Series 2013 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2013 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

TABOR Amendment

At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution known as the Taxpayers’ Bill of Rights or “TABOR,” which limits the ability of the State and local governments such as the Board to increase revenues, debt and spending and restricting property taxes, income taxes and other taxes. TABOR excepts from its restrictions the borrowings and fiscal operations of “enterprises,” which term is defined to include government–owned businesses authorized to issue their own revenue bonds and receiving under 10% of their revenues in grants from all State and local governments of the State combined. The Board has designated the System as an “enterprise” within the meaning of TABOR. See “FINANCIAL INFORMATION CONCERNING THE SYSTEM—Financial Information—Institutional Enterprise Designation.” If during any subsequent Fiscal Year, the System receives more than 10% of its revenues in grants from all State and local
governments of the State combined, it will no longer qualify as an “enterprise.” Net Revenues remain pledged as security at all times to the repayment of the Series 2013 Bonds even if the System does not qualify as an institutional enterprise under the provisions of the Institutional Enterprise Act in any given Fiscal Year.

Secondary Market

There is no guarantee that a secondary market will develop for the Series 2013 Bonds. Consequently, prospective purchasers of the Series 2013 Bonds should be prepared to hold their Series 2013 Bonds to maturity or prior redemption. Subject to applicable securities laws and prevailing market conditions, the Underwriter intends but is not obligated to make a market in the Series 2013 Bonds. Failure to comply with the undertaking to provide ongoing disclosure may adversely affect the transferability and liquidity of the Series 2013 Bonds and their market price. See “CONTINUING DISCLOSURE UNDERTAKING.”

Future Changes in Laws

Various State laws and constitutional provisions, including the Act, apply to the operation of the Facilities, the imposition and collection of student fees and the financing of the Board’s operations in general. Other State and federal laws, constitutional provisions and regulations apply to the obligations created by the issuance of the Series 2013 Bonds. There is no assurance that there will not be any change in, interpretation of or addition to applicable laws, provisions and regulations which would have a material effect, directly or indirectly, on the Board. For an explanation of recent legislative changes in the State funding system for Colorado institutions of higher education, see “CERTAIN FINANCIAL INFORMATION—Certain Legislation Affecting Funding of State Institutions of Higher Education.”

On December 9, 2011, the District Court of Denver County, Colorado, in Lobato v. State (Case No. 2005CV479, Div. 424), a case filed by several Colorado students, parents of students and school districts, held that the Colorado school finance system is not rationally related to the Colorado Constitutional mandate to establish and maintain a thorough and uniform system of free public schools and results in the denial of the rights of the plaintiff students and parents guaranteed by the provisions of Article IX, section 2 of the Colorado Constitution that require the State to establish and maintain a thorough and uniform system of free public schools (the “Education Clause”) and the rights and powers of the plaintiff school districts pursuant to the Education Clause and the provisions of Article IX, section 15 of the Colorado Constitution that grants the board of education of each school district “control of instruction in the public schools of their respective districts” (the “Local Control Clause”). The court held that the public school finance system must be revised to assure that funding is rationally related to the actual costs of providing a thorough and uniform system of public education, stating that “it is also apparent that increased funding will be required.”

The court enjoined the State from adopting implementing, administering or enforcing any and all laws and regulations that fail to comply with the court’s holding and further enjoined the State to design, enact, fund and implement a system of public school finance that provides and assures that adequate, necessary and sufficient funds are available in a manner rationally related to accomplish the purposes of the Education Clause and the Local Control Clause. The court stayed the injunctive relief in order to provide the State a reasonable time to create and implement a system of public school finance that complies with the Education Clause and the Local Control Clause. The stay will continue in effect, and the present financing formula and funding may remain in effect, until final action by the Colorado Supreme Court upon appeal of the District Court decision. On January 23, 2012, the State filed a notice of appeal directly with the Colorado Supreme Court. The Colorado Supreme Court heard oral arguments on March 7, 2013. A decision has not been issued.
Any increase in State funding of Colorado schools resulting from the Lobato case that is not accompanied by additional State revenues may adversely affect the State’s finances and significantly limits its discretion to spend money in its budget for purposes other than K-12 public schools, including appropriations for the College Opportunity Fund and Fee for Service payments. See “CERTAIN FINANCIAL INFORMATION—Funding of State Institutions of Higher Education.”

**Damage or Destruction of Facilities**

The Board insures the Facilities against certain risks. There can be no assurance that the amount of insurance required to be obtained with respect to the Facilities will be adequate or that the cause of any damage or destruction to the Facilities will be as a result of a risk which is insured. Further, there can be no assurance of the ongoing creditworthiness of the insurance companies with which the Board obtains insurance policies. Damage or destruction of the Facilities may impair the Board’s ability to generate sufficient Net Revenues.

**Environmental Regulation**

The Facilities are subject to various federal, state and local laws and regulations governing health and the environment. In general, these laws and regulations could result in liability to the Board as the owner of the Facilities for remediating adverse environmental conditions on or relating to the Facilities, whether arising from pre-existing conditions or conditions arising as a result of the activities conducted in connection with the ownership and operation of the Facilities. Costs incurred by the Board with respect to environmental remediation or liability could adversely impact its financial condition and its ability to own and operate the Facilities and its ability to produce Net Revenues.

**Broker-Dealer Risks**

Persons who purchase the Series 2013 Bonds through broker-dealers become creditors of the broker-dealer with respect to the Series 2013 Bonds. Records of the investor’s holding are maintained only by the broker-dealer and the investor. In the event of the insolvency of the broker-dealer, the investor would be required to look to the broker-dealer’s estate, and to any insurance maintained by the broker-dealer, to make good the investor’s loss.

**Risk of Loss Upon Redemption**

The rights of the registered owners of the Series 2013 Bonds to receive interest will terminate on the date, if any, on which the Series 2013 Bonds are to be redeemed pursuant to a call for redemption, notice of which has been given under the terms of the Bond Resolution.
ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following schedule shows the total debt service (excluding any optional prior redemptions) payable for the Series 2013 Bonds, the Series 2012 Bonds, the Series 2010 Bonds, and the Prior Obligations.

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Debt Service on the Series 2013 Bonds</th>
<th>Total Debt Service on Series 2012 Bonds</th>
<th>Total Debt Service on Series 2010 Bonds</th>
<th>Total Debt Service on Prior Obligations</th>
<th>Combined Total Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Principal $0.00</td>
<td>790,281.26</td>
<td>4,164,218.00</td>
<td>825,983.13</td>
<td>5,781,482.39</td>
</tr>
<tr>
<td>2014</td>
<td>$0</td>
<td>619,050.00</td>
<td>795,431.26</td>
<td>824,601.26</td>
<td>6,718,100.52</td>
</tr>
<tr>
<td>2015</td>
<td>215,000</td>
<td>823,250.00</td>
<td>800,281.26</td>
<td>826,971.88</td>
<td>6,149,871.14</td>
</tr>
<tr>
<td>2016</td>
<td>820,000</td>
<td>812,900.00</td>
<td>794,931.26</td>
<td>828,086.25</td>
<td>7,732,085.51</td>
</tr>
<tr>
<td>2017</td>
<td>840,000</td>
<td>796,300.00</td>
<td>793,106.26</td>
<td>792,789.38</td>
<td>7,198,707.39</td>
</tr>
<tr>
<td>2018</td>
<td>860,000</td>
<td>775,000.00</td>
<td>789,731.26</td>
<td>791,866.26</td>
<td>6,934,893.02</td>
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<tr>
<td>2019</td>
<td>885,000</td>
<td>748,825.00</td>
<td>791,981.26</td>
<td>795,068.76</td>
<td>6,858,825.52</td>
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<tr>
<td>2020</td>
<td>910,000</td>
<td>721,900.00</td>
<td>791,856.26</td>
<td>792,896.26</td>
<td>6,728,080.02</td>
</tr>
<tr>
<td>2021</td>
<td>935,000</td>
<td>694,225.00</td>
<td>792,418.76</td>
<td>795,911.26</td>
<td>6,219,753.52</td>
</tr>
<tr>
<td>2022</td>
<td>970,000</td>
<td>660,800.00</td>
<td>792,606.26</td>
<td>797,191.26</td>
<td>6,177,675.52</td>
</tr>
<tr>
<td>2023</td>
<td>1,010,000</td>
<td>621,200.00</td>
<td>795,806.26</td>
<td>799,191.26</td>
<td>6,167,992.02</td>
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<tr>
<td>2024</td>
<td>1,050,000</td>
<td>580,000.00</td>
<td>798,191.26</td>
<td>799,411.26</td>
<td>6,134,995.27</td>
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<td>2025</td>
<td>1,095,000</td>
<td>537,100.00</td>
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<td>799,791.26</td>
<td>6,121,630.77</td>
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<td>2026</td>
<td>1,140,000</td>
<td>492,400.00</td>
<td>797,066.26</td>
<td>800,866.26</td>
<td>6,095,548.77</td>
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<tr>
<td>2027</td>
<td>1,185,000</td>
<td>445,900.00</td>
<td>791,981.26</td>
<td>804,411.26</td>
<td>6,060,693.77</td>
</tr>
<tr>
<td>2028</td>
<td>1,235,000</td>
<td>397,500.00</td>
<td>795,756.26</td>
<td>803,512.51</td>
<td>6,022,116.27</td>
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<tr>
<td>2029</td>
<td>1,285,000</td>
<td>347,100.00</td>
<td>795,866.26</td>
<td>801,512.95</td>
<td>5,717,521.89</td>
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<tr>
<td>2030</td>
<td>1,340,000</td>
<td>294,600.00</td>
<td>790,866.26</td>
<td>800,065.93</td>
<td>5,481,848.14</td>
</tr>
<tr>
<td>2031</td>
<td>1,390,000</td>
<td>240,000.00</td>
<td>792,981.26</td>
<td>799,791.26</td>
<td>5,248,277.51</td>
</tr>
<tr>
<td>2032</td>
<td>1,450,000</td>
<td>183,200.00</td>
<td>793,911.25</td>
<td>797,218.65</td>
<td>5,207,636.25</td>
</tr>
<tr>
<td>2033</td>
<td>1,510,000</td>
<td>124,000.00</td>
<td>794,362.50</td>
<td>798,640.63</td>
<td>4,885,908.75</td>
</tr>
<tr>
<td>2034</td>
<td>1,170,000</td>
<td>70,800.00</td>
<td>797,981.26</td>
<td>799,168.26</td>
<td>4,284,741.25</td>
</tr>
<tr>
<td>2035</td>
<td>1,195,000</td>
<td>23,900.00</td>
<td>800,281.26</td>
<td>800,878.75</td>
<td>4,244,768.75</td>
</tr>
<tr>
<td>2036</td>
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<td>2041</td>
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<tr>
<td>2042</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$22,470,000</td>
<td>$11,090,950.00</td>
<td>$14,479,050.00</td>
<td>$7,283,182.65</td>
<td>$64,202,402.46</td>
</tr>
</tbody>
</table>

1 Includes interest payments made on May 1 of each year and principal and interest payments made on November 1 for the Series 2013 Bonds.
2 Debt service is shown on a gross basis and does not net out Federal Direct Payments expected to be received in connection with the Series 2010B-2 Bonds and Series 2010D Bonds.

THE SYSTEM

Generally

The State Board for Community Colleges and Occupational Education (as previously defined, the “Board”) is responsible for the administration of the Colorado Community College System (as previously defined, “CCCS” or the “System”). The Board has two primary responsibilities: (a) to govern the community colleges comprising the System (as previously defined, the “Colleges”) in a manner that assures access, diversity, efficiency, effectiveness and accountability for all programs and services provided; and (b) to encourage, promote, coordinate, expand and improve a comprehensive System which is efficient, effective and avoids unnecessary duplication. Pursuant to these responsibilities, the Board operates 13 colleges and administers state and federal grants which support two local district community

* Preliminary; subject to change.
colleges, three area vocational schools and secondary school vocational educational programs in approximately 160 local school districts.

In May 2000, the U.S. Department of Education (the “DOE”) deeded approximately 128 acres at the former Lowry Air Force Base with improvements to the Board. The property includes approximately 17 permanent buildings plus numerous temporary structures. An additional 13 acres is approved for transfer to the Board if and when it is cleared for environmental concerns. The property is subject to a number of restrictions on its use, the bulk of which expire in 2024. In general, the restrictions limit the use of the property to educational purposes, prohibit the sale or transfer of the property without prior approval of the DOE and require compliance with certain federal laws. The valuation of the land is $8,100,000 and the buildings are $45,489,564, for a total property valuation of $53,589,564 based on data from an independent appraisal. The current valuation of the property is included within the Board’s financial statements (attached hereto as Appendix B).

Effective June 2002, the Board approved the name change of the System (formerly Community Colleges of Colorado (“CC of C”) to Colorado Community College System (“CCCS”). The System organization and function did not change. The new name reflects an effort to make the System and its services more accessible through public awareness initiatives.

The Board

The Board is composed of 11 board members, nine of whom are appointed by the Governor and subject to confirmation by the State Senate. Two of the Board members are non-voting. The non-voting members consist of a faculty representative and a student representative, each selected from one of the System’s Colleges, in accordance with Board procedures. Voting Board members are appointed for four-year terms; the non-voting members are appointed for terms of one year. The current Board members and their respective terms are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Term Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. John Trefny, Chair</td>
<td>12/31/2014</td>
</tr>
<tr>
<td>Mr. Rich Martinez, Vice Chair</td>
<td>12/31/2013</td>
</tr>
<tr>
<td>Ms Maury Dobbie</td>
<td>12/31/2016</td>
</tr>
<tr>
<td>Mr. Jim Johnson</td>
<td>12/31/2014</td>
</tr>
<tr>
<td>Ms. Bernadette Marquez</td>
<td>12/31/2015</td>
</tr>
<tr>
<td>Dr. Russ Meyer</td>
<td>12/31/2016</td>
</tr>
<tr>
<td>Ms. Theresa Pena</td>
<td>12/31/2015</td>
</tr>
<tr>
<td>Mr. Ken Weil</td>
<td>12/31/2014</td>
</tr>
<tr>
<td>Ms. Jean White</td>
<td>12/31/2013</td>
</tr>
<tr>
<td>Ms. Stephanie Irwin (non-voting faculty representative)</td>
<td>6/30/2013</td>
</tr>
<tr>
<td>Ms. Ryan Manzanares (non-voting student representative)</td>
<td>6/30/2013</td>
</tr>
</tbody>
</table>

Administration

Key management personnel responsible for the daily operation of the System and the Colleges include the following:

The System.

Dr. Nancy J. McCallin, President. Dr. McCallin was appointed President of the System by the Board. Dr. McCallin has served as President of the System since October 2004. Formerly, she served as
the chief economist for the State legislature for ten years. From 1981 to 1989, she was an economist with the United Banks of Colorado (now Wells Fargo). Dr. McClin earned a Bachelor’s degree from Claremont McKenna College in Claremont, California, and a Master’s degree and a Doctorate degree in Economics from the University of Colorado.

Ms. Nancy Wahl, Vice President and General Counsel. Ms. Wahl has served as General Counsel for the System since fall of 2012. Previously, Ms. Wahl served as First Assistant Attorney General for the Colorado Attorney General. Prior to that, she served as Assistant Attorney General for the Ohio Attorney General. Ms. Wahl has a Bachelor’s degree from Ohio State University. She graduated from Capital University School of Law.

Mr. Mark Superka, Vice President for Finance and Administration. Mr. Superka was appointed as the Vice President for Finance and Administration of the System in July 2011. From July 2006 to 2011, Mr. Superka served as Budget Director for the System. Prior thereto, Mr. Superka served as Deputy Director of the Governor’s Office of State Planning and Budgeting. Mr. Superka holds a Bachelor’s degree from the University of Colorado-Boulder and a Master’s degree from Duke University.

Ms. Lisa Grefrath, System Controller. Ms. Grefrath was hired as System Controller in March 2006. Ms. Grefrath previously served as Senior Manager with KPMG, an Audit, Tax and Advisory firm from 1996 to 2006. She holds a Master’s of Science degree in Business Administration, with a minor in Information Systems, and a Bachelor’s with Distinction in Biology, and is a licensed C.P.A.

The Colleges.

Dr. Diana Doyle has served as President of Arapahoe Community College since March 2010. Prior to that, she was the Executive Vice President of Learning and Student Affairs at Community College of Denver from August 2008 to February 2010. Previously, she served as Interim President at Western Nebraska Community College, in Scottsbluff, Nebraska, from March 2006 to July 2006 and from July 2001 to February 2002; Vice President of Educational and Student Services from 1999 to July 2008; and Dean of Student Services from 1995 to 1998. She also served as Director of Student Development and University Counselor at Colorado School of Mines, in Golden, Colorado, from 1985 to 1995 and 1984 to 1985, respectively; Complex Program Director, Office of University Housing at the University of Nebraska-Lincoln from 1980 to 1983; and as Residence Director as both a graduate and professional from 1977 to 1980 at Illinois State University, in Normal, Illinois. Dr. Doyle holds a Doctor of Public Administration degree with Higher Education emphasis from University of Colorado-Denver, as well as a Master’s degree in Counseling Education and a Bachelor’s in English (Education) from Illinois State University.

Mr. Russell George serves as the President of Colorado Northwestern Community College where he has served since January 2011. Mr. George recently served on the Governor-appointed Higher Education Strategic Planning Committee. Mr. George has also served as Executive Director of the Colorado Department of Transportation from 2007 to 2010; Executive Director of the Colorado Department of Natural Resources from 2004 to 2007; Director of the Colorado Division of Wildlife from 2000 to 2004. Also, from 1993 to 2000, Mr. George served as a representative in the Colorado House of Representatives, including as speaker of the House from 1999 to 2000, representing Garfield, Pitkin, Rio Blanco and Moffat counties. Mr. George helped to preserve and grow Colorado Northwestern Community College by sponsoring legislation in 1998 to bring such college into the System. Mr. George has a Juris Doctorate degree from Harvard Law School and a Boettcher Scholar Bachelor of Arts in Economics from Colorado State University.
Mr. Alton D. Scales has served as President of the Community College of Aurora since 2012. Previously, Mr. Scales served as the CEO of Colorado Mountain College’s Breckenridge and Dillon campuses, from 2007 until his appointment as President of the Community College of Aurora. Prior to 2007, Mr. Scales held vice president roles in student services and multicultural programs at Edinboro (PA) University, as well as served as a dean, department manager and VP of academic affairs at Neosho County Community College. Mr. Scales holds a master’s degree in Manufacturing Engineering and a bachelor’s degree in Industrial Technology from the University of North Texas.

Mr. Cliff Richardson is currently serving as the Interim President at the Community College of Denver and will serve for the 2011-2012 academic year. Previously, Mr. Richardson served as the Vice President for Finance and Administration of the System from July 2007 to July 2011. Prior to that, Mr. Richardson served as the President of Red Rocks Community College from 2005 to 2007; Interim Chief Administrative Officer from 2004 to 2005; Vice President for Administrative Services at Red Rocks Community College from 1993 to 2004; Dean of Fiscal Services at San Juan College in Farmington, New Mexico from 1988 to 1993; Director of Business Services at Arapahoe Community College from 1985 to 1988; and Director of Budgets and Support Services and the Director of Budgets at Arapahoe Community College from 1981 to 1985. Mr. Richardson has a Bachelor of Science degree in Accounting from Metropolitan State College and a Master’s degree in Public Administration from the University of Colorado-Denver.

Mr. Andy Dorsey has served as President of Front Range Community College since July 2009. Prior to that he was the Vice President of the Westminster Campus/North Metro Area and college-wide Chief Academic Officer. Mr. Dorsey joined Front Range Community College in 1993 as an instructor, teaching psychology and economics. He earned a Bachelor of Arts (magna cum laude) in Economics and a Master of Business Administration from Harvard University. He also earned a Master’s degree in counseling psychology from Lesley College in Denver.

Mr. John Marrin has served as President of Lamar Community College since June 2008. Prior to that he served as Campus Dean/Chief Executive Officer at the Timberline Campus of Colorado Mountain College. In 1977, he began a long tenure at Western Nebraska Community College in Scottsbluff, Nebraska, initially joining the institution as a Marketing/Management instructor. While at Western Nebraska, he also served as the College’s Assistant Dean of Student Services, Center Director, and Dean of Business and Individual Training. He oversaw the College’s operations in Lake and Chaffee Counties, including their residential campus in Leadville. He has earned his Master’s degree in Business Administration from Regis University.

Dr. Kerry Hart has served as President of Morgan Community College since August 2008. Prior to that he was Campus Dean/Chief Executive Officer of the Alpine Campus of Colorado Mountain College in Steamboat Springs, Colorado. Dr. Hart has his Doctor of Music Education and Higher Education Administration, as well as his Master’s degree in Conducting and Music Literature from the University of Northern Colorado. He also has a Bachelor’s degree in Music Education from Metropolitan State College of Denver.

Mr. Jay Lee has served as President of Northeastern Junior College since March 2012. Prior to this appointment, Mr. Lee served as Vice President for Instruction at North Idaho College in Coeur d’Alene, Idaho and a dean of career and technical education at Rochester Community and Technical College in Rochester, Minnesota. Mr. Lee received his bachelor of arts in Criminal Justice at Moorhead State University and his Juris Doctor at the University of North Dakota in Grand Forks.

Mr. Jim Rizzuto has served as President of Otero Junior College since January 2001. Prior to taking that position he was Executive Director of Health Care Policy and Financing for Colorado.
Governor Bill Owens. He has a Master’s degree in Business Administration from the Thunderbird School of Global Management, a Bachelor’s degree from the University of Colorado, and an Associate of Arts degree from Otero Junior College.

Dr. Lance Bolton has served as President of Pikes Peak Community College since June 2011. Previously, he served as President of Northeastern Junior College from July 2006 to May 2011. Prior to that, he was the Global Director of Research and Development at DuPont Qualicon for nine years. He started out at DuPont working in support and sales, eventually being appointed to manage the North American division. Prior to his time at DuPont Qualicon, Dr. Bolton served as a post-doctoral research associate for the United States Department of Agriculture and a post-doctoral research associate for the University of Georgia School for Veterinary Medicine. Dr. Bolton holds both a Ph.D. and a Master’s degree in Science in Food Science and Technology from the University of Georgia. He also earned a Bachelor’s degree in Accounting from this same institution.

Ms. Patty Erjavec has served as President of Pueblo Community College since June of 2010. Previously, Ms. Erjavec served as president and CEO of El Pueblo Adolescent Treatment Facility and as general manager of PCL Packing. She has also served on the State Board for Community College and Occupational Education from 2001 until 2010 when her term expired. Ms. Erjavec received her Masters in non-profit management from Regis University and a Bachelor’s degree in Business Administration from the University of Southern Colorado (now Colorado State University—Pueblo).

Dr. Michele Haney has served as President of Red Rocks Community College since January 2008. Prior to that she served as President of Morgan Community College beginning in August 2003. She was the Chief Executive Officer for the Front Range Community College-Boulder County campus from 2000 to 2003, and Vice President and Vice President for Instruction and Chief Academic Officer for the Front Range Community College-Westminster campus from 1995 to 2000 and 1992 to 1995, respectively. Dr. Haney holds a Ph.D. from the University of Wyoming, a Master’s degree from Chapman College and a Bachelor’s degree from the University of New Mexico.

Dr. Charles Bohlen has served as interim President of Trinidad State Junior College since June 2012. Before retiring, Dr. Bohlen served as President of Laramie County Community College from 1992 to 2006. Prior to that position, Dr. Bohlen was dean at the Community and Technical College, University of Toledo from 1983 to 1992. Dr. Bohlen received his bachelor’s degree from Oklahoma Christian University, his master's degree from the University of Oklahoma, and his Ph.D from Kansas State University.

**FINANCIAL INFORMATION CONCERNING THE SYSTEM**

**Financial Information**

The basic financial statements are designed to provide readers with a broad overview of the System’s finances and are comprised of three basic statements.

The *Statement of Net Assets* presents information on all of the System’s assets and liabilities, at a point in time, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the System is improving or deteriorating. A reader of the financial statements should be able to determine the assets available to continue System operations, how much the System owes to vendors and lending institutions, and a picture of net assets and their availability for expenditure in the System.
The Statement of Revenues, Expenses, and Changes in Net Assets presents information showing how the System’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. the payment for accrued compensated absences, or the receipt of amounts due from students and others for services rendered). Its purpose is to assess the System’s operating results. The System reports its activity as a special purpose government engaged only in business-type activities using the economic resources measurement focus and the accrual basis of accounting.

The Statement of Cash Flows presents cash receipts and payments to the System for the reporting period using the direct method. The direct method of cash flows reporting portrays cash flows from operations, noncapital financing, capital and related financing and investing activities. Its purpose is to assess the System’s ability to generate net cash flows and meet its obligations as they come due.

The System is a component of the State of Colorado. Therefore, the net assets and results of the System’s operations are also summarized in the State’s Comprehensive Annual Financial Report in its government-wide financial statements.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. Information is provided regarding both the accounting policies and procedures the System has adopted, as well as additional detail for certain amounts contained in the basic financial statements. The notes to financial statements follow the basic financial statements.

The Board’s audited financial statements for the years ended June 30, 2012, and the report thereon of KPMG, LLP, independent certified public accountants, Denver, Colorado, are included as Appendix B hereto. The 2012 audit represents the most recent audited financial statements of the Board. KPMG, LLP, the Board’s independent auditor, has not been engaged to perform and has not performed, since the date of its report included as part of the financial statements, any procedures on the financial statements addressed in that report. KPMG, LLP also has not performed any procedures relating to this Official Statement.

Below is The Statement of Revenues, Expenses, and Changes in Net Assets for the years ended June 30, 2008 through 2012. This statement reports the results of operating and nonoperating revenues and expenses during Fiscal Year 2012 and the resulting increase or decrease in net assets at the end of the year.

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Statement of Revenues, Expenses and Changes in Net Assets  
Fiscal Years Ended June 30, 2008 through 2012

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and Fees, Net</td>
<td>$199,247,972</td>
<td>$190,996,712</td>
<td>$182,746,236</td>
<td>$227,112,067</td>
<td>$234,075,160</td>
</tr>
<tr>
<td>Grants and Contracts</td>
<td>126,031,904</td>
<td>78,773,116</td>
<td>79,882,791</td>
<td>81,761,644</td>
<td>82,257,616</td>
</tr>
<tr>
<td>Fee-for-service state contract</td>
<td>24,133,792</td>
<td>26,900,272</td>
<td>3,541,151</td>
<td>22,860,290</td>
<td>10,906,347</td>
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<tr>
<td>Sales and Services of Educational Activities</td>
<td>1,445,714</td>
<td>980,693</td>
<td>1,038,173</td>
<td>1,449,894</td>
<td>1,356,510</td>
</tr>
<tr>
<td>Auxiliary Enterprises, Net</td>
<td>36,760,125</td>
<td>37,519,433</td>
<td>38,895,405</td>
<td>41,552,120</td>
<td>41,387,150</td>
</tr>
<tr>
<td>Other Operating Revenues</td>
<td>7,894,633</td>
<td>8,920,325</td>
<td>9,426,697</td>
<td>9,762,896</td>
<td>8,338,016</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>395,514,140</td>
<td>344,090,551</td>
<td>315,530,453</td>
<td>384,498,911</td>
<td>378,320,799</td>
</tr>
</tbody>
</table>

Operating Expenses

<p>| | | | | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Instruction</td>
<td>180,732,657</td>
<td>189,159,746</td>
<td>203,366,078</td>
<td>216,714,455</td>
<td>219,979,142</td>
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<tr>
<td>Research</td>
<td>-</td>
<td>88,551</td>
<td>332,504</td>
<td>170,296</td>
<td></td>
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<tr>
<td>Public Service</td>
<td>1,680,750</td>
<td>5,195,931</td>
<td>4,404,203</td>
<td>4,179,695</td>
<td>3,431,668</td>
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<tr>
<td>Academic Support</td>
<td>30,467,507</td>
<td>29,819,335</td>
<td>34,413,831</td>
<td>36,650,384</td>
<td>36,292,217</td>
</tr>
<tr>
<td>Student Services</td>
<td>36,284,691</td>
<td>44,403,132</td>
<td>47,881,565</td>
<td>51,192,466</td>
<td>55,683,205</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>61,984,434</td>
<td>67,032,786</td>
<td>67,601,384</td>
<td>71,443,337</td>
<td>73,628,507</td>
</tr>
<tr>
<td>Operation and Maintenance of Plant</td>
<td>40,756,257</td>
<td>42,270,467</td>
<td>47,069,253</td>
<td>45,625,398</td>
<td>53,320,159</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>9,912,459</td>
<td>9,420,041</td>
<td>19,799,690</td>
<td>25,457,019</td>
<td>22,457,365</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>35,154,545</td>
<td>38,267,673</td>
<td>40,280,060</td>
<td>43,314,915</td>
<td>44,220,245</td>
</tr>
<tr>
<td>Depreciation</td>
<td>16,259,716</td>
<td>17,456,132</td>
<td>20,259,450</td>
<td>21,420,555</td>
<td>23,914,545</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>413,523,905</td>
<td>447,975,252</td>
<td>485,164,065</td>
<td>514,530,728</td>
<td>533,097,349</td>
</tr>
</tbody>
</table>

Operating Loss (18,009,765) (103,884,701) (169,633,612) (130,031,817) (154,776,550)

Non-operating Revenues

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</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>50,106,478</td>
<td>46,404,956</td>
<td>38,476,832</td>
<td>49,339,382</td>
<td>45,964,065</td>
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<tr>
<td>State Fiscal Stabilization Funding</td>
<td>-</td>
<td>25,300,005</td>
<td>71,186,390</td>
<td>4,523,158</td>
<td>0</td>
</tr>
<tr>
<td>Federal Pell Nonoperating</td>
<td>-</td>
<td>56,490,227</td>
<td>108,143,611</td>
<td>144,545,446</td>
<td>145,210,102</td>
</tr>
<tr>
<td>Amendment 50 funding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,360,559</td>
</tr>
</tbody>
</table>

Distributions to Local District Colleges and Area Vocational Schools (25,273,137) (21,107,462) (11,662,619) (22,418,236) (19,574,820)

Gifts 1,504,279 957,985 1,051,358 1,340,156 352,646

Investment Income 9,038,845 7,496,900 7,381,669 5,235,723 4,134,595

Interest Expense on Capital Debt (1,481,155) (1,336,927) (1,782,729) (1,768,643) (2,093,591)

Other Non-operating Revenues 1,238,376 2,551,179 2,310,483 4,166,223 1,888,493


Income Before Other Revenues, Expenses, Gains or Losses 17,123,921 12,872,162 45,471,383 60,293,981 27,140,447

State Capital Contributions 8,545,653 9,140,719 21,466,589 23,086,772 7,679,114

Capital Grants 27,811 764,083 1,938,608 757,735 229,533

Capital Gifts 114,877 59,400 1,915,058 1,306,513 1,240,679

Increase in Net Assets 35,812,262 22,836,364 70,791,638 85,445,001 36,829,773

Net Assets—Beginning of Year 3,882,406 1,054,750,306 405,674,568 430,759,508 301,551,146 386,996,147

Net Assets—End of Year $405,674,568 430,759,508 430,759,508 301,551,146 386,996,147 $623,285,920

See accompanying notes to basic financial statements.

1 For Fiscal Years ended June 30, 2008 through 2010, “Other Operating Revenues” includes “Gifts.”
2 Research Grants began in Fiscal Year ended June 30, 2010.
3 These Federal funds were allocated to the State via the State Fiscal Stabilization Fund Program under the Federal Recovery Act and were distributed by CDHE to the System as an offset to funding cuts. See Note 3(o) to the System’s audited financial statements attached hereto as Appendix B. This program was discontinued in FY12.
4 Prior to Fiscal Year ended June 30, 2010, “Federal Pell Nonoperating” was reported as Operating Revenue but FY09 amounts were reclassified for comparability.
5 Includes an adjustment of $2,248,576 as a result of the merge of San Juan Technical College into Pueblo Community College.
6 Amendment 50 funding began in Fiscal Year ended June 30, 2011.

Institutional Enterprise Designation. SB04-252 (codified at Sections 23-5-101.7, 23-5-102, 23-5-103, 23-5-104 and 23-5-105, Colorado Revised Statutes, as amended) (collectively the “Institutional Enterprise Act”) permits the designation of an institution of higher education as an enterprise for the purposes of TABOR. Under this provision, enterprises are defined as government owned businesses that are authorized to issue their own revenue bonds and receive less than 10% of annual revenues in grants from State and local governments of the State combined. As an enterprise, a qualifying institution of higher education is exempt from the revenue, spending and debt limitations that are imposed by Article X, Section 20 of the State Constitution. See “TABOR.” The institution may pledge internal revenues for the
The System was designated enterprise status effective July 1, 2005 and that designation is still in effect. As an enterprise, the System is not subject to the revenue, spending and debt limitations of TABOR. See “TABOR” and “INVESTMENT CONSIDERATIONS—TABOR Amendment.”

**Appropriation and Allocation Process**

The System is subject to a budget process prescribed by applicable Colorado laws and regulations. The Assembly generally appropriates to all governing boards of higher education an amount equal to the prior year’s appropriation, increased by an inflation factor (the Consumer Price Index) and adjusted for student enrollment changes.

The CCHE, a State agency, is responsible for recommending to the Assembly the allocation among the six higher education governing boards. The CCHE consults with representatives of higher education in arriving at the distribution among the governing boards.

Each governing board allocates the appropriation to the institutions under its governance as it sees fit. The System allocation formula provides funds based on instructional costs, support costs and operation and maintenance of the physical plant. The formula also recognizes enrollment changes and funds accordingly. The Board approves detailed operating budgets for each of the Colleges.

The following table indicates the State General Fund Appropriations received by the Board for the Colleges for campus operations and the percentages of the total State appropriated revenues that such General Fund Appropriations comprise for the System for Fiscal Years 2009-2013:

[Remainder of page intentionally left blank]
### Fiscal Year Ended June 30

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>State General Fund Appropriations</th>
<th>Percent of Total State Appropriated Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$116,190,007</td>
<td>30.7%</td>
</tr>
<tr>
<td>2012</td>
<td>112,832,926</td>
<td>30.4</td>
</tr>
<tr>
<td>2011</td>
<td>131,965,957</td>
<td>40.1</td>
</tr>
<tr>
<td>2010</td>
<td>143,787,197</td>
<td>41.8</td>
</tr>
<tr>
<td>2009</td>
<td>142,320,783</td>
<td>47.5</td>
</tr>
</tbody>
</table>

* The Board also receives State appropriations for its other functions, including local district junior colleges, area vocational schools, Colorado Vocational Act and job training. Accordingly, the amount set forth here differs from State appropriation amounts set forth elsewhere in this Official Statement. The amounts set forth include primarily fee for service and stipend amounts. See “—Funding of State Institutions of Higher Education” below.

1 Includes $13,831,805 of Federal Recovery Act funds which were used by the State to backfill reductions to General Fund appropriations. This figure does not include anticipated revenues generated via Amendment 50, which are currently forecast at between $4.5 and 4.0 million.

2 Includes $71,186,390 of Federal Recovery Act funds which were used by the State to backfill reductions to General Fund appropriations in such Fiscal Year.

3 Includes $25,300,005 of Federal Recovery Act funds which were used by the State to backfill reductions to General Fund appropriations in such Fiscal Year.

### Funding of State Institutions of Higher Education

**Generally.** All operating and request budget recommendations, after review and priority assessment by the President, are presented to the Board. The Board then concurrently submits its annual request for State funding, based upon such budget requests, to the CCHE, to the Office of State Planning and Budgeting, and to the Joint Budget Committee (the “JBC”), the appropriations committee of the State legislature. The CCHE makes annual systemwide funding recommendations to the State legislature, after consultation with each of the governing boards of higher education institutions. See “—Impact of CCHE” below under this caption. The CCHE also establishes, after consultation with each of the governing boards, the distribution formula of appropriations, based on certain criteria set forth in Section 23-1-105, Colorado Revised Statutes, as amended. In accordance with the distribution formula, the JBC then recommends to the full State legislature the amount of money available for higher education. Formerly, appropriations were then made as “lump sums” to the higher education governing boards through the “Long (Appropriations) Bill.” Each governing board allocates the appropriations to the institutions under its control in a manner it deems most appropriate. Governing boards are authorized to retain any unexpended moneys generated from Fiscal Year to Fiscal Year. The appropriation procedure described in this paragraph will continue to be imposed for future years under Section 23-1-104, Colorado Revised Statutes, as amended.

Since the Fiscal Year commencing July 1, 2005, Section 23-18-101 et seq., Colorado Revised Statutes, as amended (the “College Opportunity Fund Act”) and amendments to Article 5, Title 23, Colorado Revised Statutes, as amended pursuant to Senate Bill 04-189 (“SB04-189”), which was signed into law by the Governor of the State on May 10, 2004, have been in place. SB04-189 eliminates direct appropriations of State General Fund moneys to the governing boards of institutions of higher education in favor of a per student stipend system for undergraduate education and appropriation of funds to the Department of Higher Education (the “Department”) that are to be expended under Fee for Service Contracts with institutions of higher education to obtain certain educational services.

Fiscal Year 2006 saw major changes in the funding mechanism for higher education through the implementation of fee-for-service contracts (“Fee for Service Contracts”) and the College Opportunity Fund (the “Fund”). Legislation under Senate Bill 04-189 (now codified at Section 23-18-101 et seq. C.R.S.), shifted state support for undergraduate education from the institution to the student. The Fund
redirected state support to the System by awarding resident undergraduate students a stipend that can be applied by the System for tuition assistance. The revenue generated from both the Fee for Service Contracts and the Fund is reflected in the Board’s financial statements. In 2006, the Board entered into its first Fee for Service Contract with the Department, pursuant to which the Department purchases from the Board services related to providing vestibule labs, reciprocity agreements, rural educational services, and specialized instructional educational services.

**Recent State Budget Cuts Affecting Higher Education and the System.** In Fiscal Year 2009-10, the General Assembly reduced the System’s General Fund appropriation over its peak appropriation by $71.2 million but backfilled the whole reduction with Federal Recovery Act funds resulting in no net reduction. In Fiscal Year 2010-11, the General Assembly reduced the System’s General Fund by $25.7 million over its peak appropriation and backfilled $13.8 million of the reduction with Federal Recovery Act funds, yielding a net 8.2% reduction. This was the last fiscal year where federal Recovery Act funds were available. In Fiscal Year 2011-12, the Generally Assembly reduced the General Fund Appropriation by $19.1 million, yielding a net reduction of 14.5% from Fiscal Year 2010-11. During this timeframe, the System’s senior administration and presidents of the Colleges managed expenditures in the prior and current Fiscal Year to account for these anticipated reductions in State funding, as well as increased tuition to offset state funding reductions. In addition, the System experienced record enrollment growth during this timeframe, which increased projected tuition revenue above previously budgeted amounts.

In FY 2012-13, State of Colorado tax revenue began to stabilize and the System saw a $3.3 million increase in General Fund appropriations over the prior fiscal year, a 3.0 percent increase. Forecasts for FY 2013-14 state revenues, along with the state budget situation, have improved over the current fiscal year. For FY 2013-14, the Governor requested and the General Assembly funded a $30 million increase in operating funds for higher education, with $6.1 million of this increase slated for the System.

**SB04-189.** Commencing July 1, 2005, Section 23-18-101 et seq., Colorado Revised Statutes (the “College Opportunity Fund Act”) and amendments to Article 5, Title 23, Colorado Revised Statutes, pursuant to Senate Bill 04-189 (“SB04-189”), which was signed into law by the Governor of the State on May 10, 2004, have been in place. SB04-189 eliminates direct appropriations of State General Fund moneys to the governing boards of institutions of higher education in favor of a per student stipend system for undergraduate education (“Student Stipends”) and appropriation of funds to the Department that are to be expended under Fee for Service Contracts with institutions of higher education to obtain certain educational services.

Under the College Opportunity Fund Act, state appropriations for undergraduate education will be made to the Fund, to be established within the Department. The Fund will be administered by the Colorado Student Loan Program (the “CSLP”) and will be a trust fund consisting of a stipend for each eligible undergraduate student. An eligible student is defined as either (a) an undergraduate student who is enrolled at a State institution of higher education and who is classified as an in state student for tuition purposes; or (b) an undergraduate student enrolled in a participating private institution and (i) is classified as in state for tuition purposes; (ii) is a graduate of a Colorado high school; (iii) demonstrates financial need; and (iv) meets other eligibility requirements established by CCHE. “Stipend” is defined as the amount of money per credit hour held in trust for and paid on behalf of an eligible undergraduate student. The stipend is a fixed rate per credit hour set annually by the General Assembly. Undergraduate students may receive the stipend for a lifetime maximum of 145 credit hours, but may apply for a waiver of this limitation.

The College Opportunity Fund Act further provides that, commencing July 1, 2005, the General Assembly makes an annual appropriation to the Fund reflecting the number of undergraduate students
who have applied for and are eligible for the stipend. The General Assembly also is required to appropriate spending authority to each governing board for the cash funds estimated to be received by each governing board as stipends. This spending authority is calculated by multiplying the amount to applicable per credit hour stipend by the number of eligible undergraduate students estimated to be enrolled at the associated institution. After an eligible student has enrolled in a State institution or participating private institution, and upon receipt of the student’s authorizing signature, the institution requests a stipend payment from the Fund on the student’s behalf. CCHE is responsible for annually estimating the number of eligible students and reporting the number during each annual budget cycle. Under this legislation, CCHE is required to annually request that the General Assembly adjust the amount appropriated for the stipends to reflect at least inflation and enrollment growth. Each year, from July 1, 2006 to July 1, 2009, CCHE submitted to the Senate and House Education Committees and the JBC, annual reports on the Student Stipend program’s status. On July 1, 2010, CCHE will submit a final report on the Student Stipend program’s implementation.

SB04-189 requires private institutions of higher education that would like to receive stipends on behalf of their students to negotiate performance contracts with the Department beginning July 1, 2004, specifying the institution’s performance goals. SB04-189 also contemplates that State institutions will enter into performance contracts with the Board. On May 11, 2005, the Board and the Department entered into a “Performance Agreement” under which the Board has been given greater control and flexibility in the management and operation of the System.

Under Section 23-1-109.7, Colorado Revised Statutes, CCHE is statutorily directed to arrange for the provision of specific post secondary educational services to the State. Such services include, but are not limited to, rural educational services, services associated with reciprocal tuition arrangements, graduate school services, continuing education services, and specialized and professional educational services such as dentistry, medicine, veterinary medicine, nursing, law, forestry and engineering. The Department is further directed under Section 23-1-109.7 to enter into Fee for Service Contracts to obtain such services on behalf of CCHE. CCHE will make a recommendation to the State General Assembly and Governor annually as to the amount of funding necessary to provide these services. The General Assembly will make an annual appropriation of State General Fund moneys to CCHE for the costs funded under the Fee for Service Contracts.

State Control. For many years, higher education institutions in Colorado operated under HB85-1187. House Bill 1187 codified many of the provisions such as lump sum appropriations, academic admission standards, management flexibility and Board tuition setting authority. For information regarding admissions standards established by the CCHE pursuant to the direction set forth in House Bill 1187, see “THE SYSTEM—Admissions.”

Other Recent Legislation Affecting Funding of State Institutions of Higher Education

Senate Bill 10-003. During the 2010 legislative session, the Colorado Legislature passed Senate Bill 10-003, known as the “Higher Education Flexibility Bill.” The Higher Education Flexibility Bill makes changes to several State statutes in order to provide flexibility to the State’s colleges and universities. The bill allows institutions of higher education in the State to increase tuition rates each year up to 9% over the prior year. Institutions can increase tuition more than 9% upon submission to and approval by CCHE of a five-year financial and accountability plan. The tuition flexibility section of the bill will expire on July 1, 2016. As required of all institutions of higher education, the System submitted to the Joint Budget Committee a financial plan to address a possible reduction of state funding of 50%. The CCHE finalized a new master plan for higher education in December 2012 which proposes a restoration of “fiscal balance” by increasing direct state support of higher education.
**House Bill 11-1301.** During the 2011 legislative session, the General Assembly passed House Bill 11-1301 ("H.B. 11-1301") amending several State statutes concerning higher education in the State. The General Assembly recognized that, due to increasing financial restrictions, student fees are increasingly being used as sources of revenue for State institutions of higher education. H.B. 1301 gives governing boards flexibility in managing student fees in the manner that is most effective for their respective institutions, but requires governing boards to adopt institutional plans on or before July 1, 2012 concerning the definition, assessment, increase, and use of fees, and adopt processes for receiving and considering student input concerning the amount assessed in fees and the purposes for which the institution uses the revenues received. If a governing board uses revenues from a general student fee for the repayment of bonds or other debt obligations, the governing board must specify the portion of the general student fee that is actually applied to repayment of the bonds or other debt obligations, and that itemization shall appear on the student billing statement. When bonds or other debt obligations are fully repaid, the amount of the user fee assessed against persons using the auxiliary facility shall be reduced, if necessary, so as not to exceed 110% (or 120% if 10% is set aside in a reserve fund) of the costs incurred in operating and maintaining the auxiliary facility during the preceding year.

**Senate Bill 11-052.** Senate Bill 11-052 ("SB11-052") was introduced early in the 2011 legislative session to implement a national trend towards performance based funding in the higher education arena. After much negotiation and discussion among the sponsors, the higher education institutions, the Governor’s office and the Department of Higher Education, SB11-052 passed. It will begin an 18-month process of creating a new higher education master plan and a new system of performance contracts negotiated between the CCHE and the colleges and universities. Performance funding will not go into effect until 2016-17 and the state general fund support has hit $706 million.

**Senate Bill 12-040, Concerning the Qualification of Certain State Higher Education Facilities for State Controlled Maintenance Funding.** Senate Bill 12-040 ("SB 12-040"), which was adopted by the General Assembly and signed by the Governor during the 2012 legislative session, amended several State statutes to provide that all academic facilities acquired or constructed, or any auxiliary facility repurposed for use as an academic facility, solely from cash funds held by a Colorado institution of higher education and operated and maintained from such cash funds or from State moneys appropriated for such purpose, or both, that did not previously qualify for State controlled maintenance funding will qualify for such funding, subject to funding approval by the Colorado Capital Development Committee (a statutory committee responsible for reviewing funding requests for capital projects from all state agencies and making prioritized recommendations to the Joint Budget Committee). The term “academic facility” is defined by SB 12-040 as any building or other physical facility (including, but not limited to, classrooms, libraries, and administrative buildings), including any supporting utility infrastructure, that is central to the role and mission of each institution as set forth in Title 23, C.R.S. The term “auxiliary facility” means any building or other physical facility, including any supporting utility infrastructure, funded from an auxiliary source such as housing or parking revenue or any building or other physical facility that has been historically managed as an auxiliary facility and is accounted for in institutional financial statements as a self-supporting facility. Examples include, but are not limited to, housing facilities, dining facilities, recreational facilities, and student activities facilities.

**Enrollments**

The following table sets forth, for each of the five academic years 2007-2012, the full-time equivalent ("FTE") enrollment and the fall headcount enrollment ("HCE") for each of the Colleges. Historically, resident students make up approximately 94.3% of total enrollment at the Colleges.
Admissions and Programs

Pursuant to the Act, the function of the System is to conduct occupational, technical and community service programs with no term limitations and general education, including college transfer programs with unrestricted admissions. The System must also develop appropriate occupational education and adult education programs, maintain and expand occupational education programs in the secondary schools of the State, and develop work study and on-the-job training programs designed to acquaint youth with the world of work and to train and retrain youth and adults for employment.

In order to fulfill its function, the Colleges offer a variety of postsecondary vocational, occupational and adult education programs. As required by statute, the Colleges have no admission requirements. In addition to its education programs, the System has entered into transfer agreements with all of the State’s four-year higher education systems. The largest enrollment growth area within the System since 1985 has been in the “core curriculum” courses designed for transfer to the State’s four-year colleges and universities pursuant to the transfer agreements.

Employees and Pension Plan

The Board had approximately 4,140 full-time equivalent faculty members (including adjunct) and 1,793 full-time equivalent staff members from appropriated sources for Fiscal Year ended June 30, 2011. Staff and faculty of auxiliary operations and grant funded activities are not included in these figures. The Board believes that its relations with its employees are excellent. None of the Board’s employees are members of a collective bargaining unit; however, classified employees of the Board are included in occupational groups that are represented statewide by Colorado WINS, a Certified Employee Organization. Executive Order D02807 issued on November 2, 2007, provided that state classified employees could vote to be represented by a Certified Employee Organization. Partnership Units, which are occupational groups of classified employees, all voted to be represented by a Certified Employee Organization.

The Board’s principal employee pension plan is the Public Employees’ Retirement Association of Colorado (“PERA”). PERA is a cost-sharing multiple-employer public employee retirement fund created in 1931. Substantially all full-time employees of the Board are covered by PERA. Employer and employee obligations to contribute to PERA are established under Colorado State Law; specifically, Title 24, Article 51 of Colorado Revised Statutes (“C.R.S.”). For the fiscal year ended June 30, 2012, the Board’s contribution to PERA was $30,046,428 and contributions by employees totaled 100% of includable wages.

| Source: The Board; CCHE, FTE and Fall Enrollment Reports |

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</tr>
</thead>
<tbody>
<tr>
<td>Arapahoe Community College</td>
<td>4,244</td>
<td>6,538</td>
<td>4,556</td>
<td>7,204</td>
<td>5,359</td>
<td>9,969</td>
<td>5,949</td>
<td>9,691</td>
<td>6,067</td>
<td>11,097</td>
</tr>
<tr>
<td>Colorado Northwestern CC</td>
<td>771</td>
<td>1,430</td>
<td>811</td>
<td>1,429</td>
<td>862</td>
<td>1,377</td>
<td>903</td>
<td>1,450</td>
<td>796</td>
<td>1,301</td>
</tr>
<tr>
<td>Community College of Aurora</td>
<td>3,265</td>
<td>4,885</td>
<td>3,549</td>
<td>5,384</td>
<td>4,185</td>
<td>6,293</td>
<td>4,693</td>
<td>7,644</td>
<td>4,819</td>
<td>7,824</td>
</tr>
<tr>
<td>Community College of Denver</td>
<td>5,137</td>
<td>8,359</td>
<td>5,443</td>
<td>8,250</td>
<td>7,282</td>
<td>10,918</td>
<td>8,273</td>
<td>12,901</td>
<td>8,277</td>
<td>13,053</td>
</tr>
<tr>
<td>Front Range Community College</td>
<td>10,041</td>
<td>15,270</td>
<td>10,694</td>
<td>15,695</td>
<td>12,836</td>
<td>18,713</td>
<td>14,051</td>
<td>20,092</td>
<td>14,025</td>
<td>20,568</td>
</tr>
<tr>
<td>Lamar Community College</td>
<td>760</td>
<td>817</td>
<td>760</td>
<td>1,138</td>
<td>763</td>
<td>1,080</td>
<td>763</td>
<td>1,051</td>
<td>705</td>
<td>935</td>
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<tr>
<td>Morgan Community College</td>
<td>1,004</td>
<td>1,748</td>
<td>1,032</td>
<td>1,759</td>
<td>1,121</td>
<td>1,918</td>
<td>1,210</td>
<td>1,965</td>
<td>1,136</td>
<td>1,885</td>
</tr>
<tr>
<td>Northeastern Junior College</td>
<td>1,297</td>
<td>2,751</td>
<td>1,430</td>
<td>2,698</td>
<td>1,468</td>
<td>2,497</td>
<td>1,531</td>
<td>2,214</td>
<td>1,529</td>
<td>2,154</td>
</tr>
<tr>
<td>Otero Junior College</td>
<td>1,236</td>
<td>1,558</td>
<td>1,234</td>
<td>1,551</td>
<td>1,312</td>
<td>1,660</td>
<td>1,339</td>
<td>1,823</td>
<td>1,226</td>
<td>1,546</td>
</tr>
<tr>
<td>Pikes Peak Community College</td>
<td>7,481</td>
<td>11,407</td>
<td>8,148</td>
<td>11,873</td>
<td>9,513</td>
<td>13,572</td>
<td>10,882</td>
<td>15,229</td>
<td>10,641</td>
<td>14,725</td>
</tr>
<tr>
<td>Pueblo Community College</td>
<td>3,487</td>
<td>5,063</td>
<td>3,856</td>
<td>5,437</td>
<td>4,703</td>
<td>6,592</td>
<td>5,083</td>
<td>7,943</td>
<td>5,005</td>
<td>8,055</td>
</tr>
<tr>
<td>Red Rocks Community College</td>
<td>4,880</td>
<td>7,223</td>
<td>5,071</td>
<td>7,667</td>
<td>6,074</td>
<td>9,143</td>
<td>6,650</td>
<td>9,826</td>
<td>6,546</td>
<td>9,544</td>
</tr>
<tr>
<td>Trinidad State Junior College</td>
<td>1,368</td>
<td>1,760</td>
<td>1,420</td>
<td>1,740</td>
<td>1,575</td>
<td>1,812</td>
<td>1,614</td>
<td>1,916</td>
<td>1,569</td>
<td>1,839</td>
</tr>
</tbody>
</table>
Pursuant to State statute, the governing boards of the State’s institutions of higher education (including the Board) are authorized to remove themselves from PERA; several institutions (non-community colleges) in the State already have done so.

Additional pension information can be found in Notes 14–17 of the Fiscal Year 2012 audited financial statements attached hereto as APPENDIX B.

**Employee Benefits**

System employees may accrue annual and sick leave based upon length of service, subject to limitations as to amount payable upon termination. The costs of compensated absences as of June 30, 2012 was approximately $17,179,625. The System also provides a cafeteria-style Employee Choice Flexible Benefit Plan for its exempt employees through a self-funded employee benefit trust which is funded by employer contributions. Benefits offered include medical, dental and vision insurance, long-term disability and life insurance. In addition, the System offered certain exempt employees who took reduced retirement under PERA regulations a post-retirement benefit consisting of payment of the employer’s share of the group health and life insurance premium (up to the amount paid for active employees) until the retiree reaches age 65.

Classified employees of the System are eligible to participate in the State’s voluntary benefits plan, which includes group health, dental and life insurance. Employees may choose whether or not to participate in this plan and may also choose their level of participation. The State requires System contributions for this plan in addition to employee contributions. However, due to the voluntary nature of the program, the System does not quantify employee contributions to the State’s classified benefits program.

**Employee Benefit Trust Fund**

The System’s Employee Benefit Trust Fund was created February 1, 1983, but was reclassified to the System’s Current Restricted Fund effective June 30, 1997, based upon the recommendation of the Colorado State Auditor. Previously, the Trust was referenced in the System’s footnotes to its financial statements. The purpose of this self-funded employee benefit trust is to provide long-term disability benefits to all employees participating in the Employee Choice Flexible Benefit Plan, as sponsored by the Board. The Trust is funded by employer contributions and is used to pay benefits to eligible participants and to pay some insurance premiums, bank charges and administration costs. The Trust is a separate entity which is governed by a board of trustees appointed by the Board. The Trust is recognized by the IRS as a tax-exempt entity.

**Insurance Coverage**

The Board is currently insured pursuant to the State’s commercial property insurance program. The State’s policy insures all risks on a replacement cost basis subject to specific policy limits and terms. Newly acquired or constructed property is automatically covered. The current policy expires on June 30, 2013 and is renewable for a one-year term.

The Board’s general liability and automobile liability insurance is funded through the State’s self-insurance reserve fund. The State’s self-insurance reserve fund is administered through the Division of Risk Management in the State Department of General Support Services. The Division of Risk Management investigates, defends and performs claims adjustments and also pays claims or judgments against the State, its boards (including the Board) and agencies. The funds in the risk management fund are available to pay liability claims and expenses in lawsuits brought against Board and System
employees pursuant to the Colorado Governmental Immunity Act and federal law. See “LITIGATION AND SOVEREIGN IMMUNITY” below.

Other Outstanding Obligations

In addition to the Prior Obligations and Outstanding Parity Obligations, the Board has executed leases on various property and equipment at virtually all of the institutions it governs. Such leases are subject to cancellation in the event the General Assembly does not appropriate funds or the Board does not allocate such appropriations for the annual lease payments. Except for one occurrence described herein, no lease has been terminated due to nonappropriation or nonallocation.

The Board is a lessee under separate lease agreements securing each series of the Refunded Bonds. In addition, the Board is a lessee under a lease agreement securing the City of Aurora, Colorado (the “City of Aurora”) Educational Development Refunding Revenue Bonds (Community College of Aurora Foundation Project), Series 2004 (the “Aurora Series 2004 Bonds”), originally issued in the amount of $8,840,000 and currently outstanding in the amount of $3,055,000. The Aurora Series 2004 Bonds financed the cost of (a) refunding the City of Aurora’s outstanding Educational Development Refunding Revenue Bonds (Community College of Aurora Foundation Project), Series 2004, (b) funding a reserve fund, and (c) paying the costs of issuing the Aurora Series 2004 Bonds.

Additional capital lease information is detailed in Note 11 of the Fiscal Year 2012 audited financial statements.

LITIGATION AND SOVEREIGN IMMUNITY

As of the date hereof, no litigation challenging the validity or the issuance of the Series 2013 Bonds is pending or threatened. Upon the issuance of the Series 2013 Bonds, the Underwriter will receive a certificate, executed by representatives of the Board, to the effect that no such litigation is pending or, to their knowledge, threatened.

The Colorado Governmental Immunity Act, Article 10 of Title 24, Colorado Revised Statutes, as amended (the “Act”), provides, in part, that public entities shall be immune from liability, based on the principle of sovereign immunity, in all claims for injury which lie in tort or could lie in tort (regardless of the type of action or the form of relief chosen by the claimant), except for certain claims specifically excluded by the Act. The Act also limits the maximum amount that may be recovered in any single occurrence whether from one or more public entities or public employees to $150,000 for injury to one person (this limit shall increase to $300,000 as of July 1, 2013), and $600,000 (this limit shall increase to $990,000 as of July 1, 2013) for an injury to two or more persons. The Act also specifies the sources from which judgments against public entities may be collected and provides that public entities are not liable either directly or by indemnification for punitive or exemplary damages or for damages for outrageous conduct, except as may be otherwise determined by a public entity pursuant to the Act. The Act may be changed through amendment by the State legislature at any time.

According to the Board, as of the date hereof, there is no legal action pending or to the best of its knowledge, threatened, against the System, the Board, or one or more officers or employees of the Board or the System that would result in a materially adverse effect with regard to the financial resources of the System or the Board or the continuous operation thereof or the security for the Series 2013 Bonds. See also “FINANCIAL INFORMATION CONCERNING THE SYSTEM—Environmental Matters” above.
TABOR

Generally

At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution known as the Taxpayers’ Bill of Rights or “TABOR,” limiting the ability of the State and local governments such as the Board to increase revenues, debt and spending and restricting property taxes, income taxes and other taxes. TABOR excepts from its restrictions the borrowings and fiscal operations of “enterprises,” which term is defined to include government owned businesses authorized to issue their own revenue bonds and receiving under 10% of their revenues in grants from all State and local governments of the State combined. TABOR contemplates that qualification as an “enterprise” will be determined annually and that “enterprises” may be disqualified as such by receiving 10% or more of their revenues for any year in the form of State or local government grants. TABOR also contemplates that a disqualified “enterprise” may be requalified in the next or any future year. The Board has designated the System as an “enterprise” within the meaning of TABOR pursuant to the Institutional Enterprise Act. See “FINANCIAL INFORMATION CONCERNING THE SYSTEM—Financial Information—Institutional Enterprise Designation.”

LEGAL MATTERS

Legal matters relating to the authorization and issuance of the Series 2013 Bonds are subject to the approving opinion of Kutak Rock LLP of Denver, Colorado, as Bond Counsel, which will be delivered with the Series 2013 Bonds.

Kutak Rock LLP will also pass upon certain legal matters relating to the Series 2013 Bonds as Counsel to the Board. Kutak Rock LLP has not participated in any independent verification of the information concerning the financial condition or capabilities of the Board or the System contained in this Official Statement.

UNDERWRITING

The Series 2013 Bonds were offered for sale by the Board at a public, competitive sale on June 14, 2013 pursuant to a Notice of Bond Sale. The best bid submitted at the sale was submitted by _________, as underwriter (the “Underwriter”). The Board awarded the contract for sale of the Series 2013 Bonds to the Underwriter at a price of $__________ (representing the total principal amount of the Series 2013 Bonds of $__________, plus a net original issue premium of $__________, less an Underwriter’s discount of $__________). The Underwriter has represented to the Board that the Series 2013 Bonds have been subsequently re-offered to the public initially at the yields set forth on the inside cover of this Official Statement.

FINANCIAL ADVISOR

BD Advisors, LLC (“BD Advisors”) has served as financial advisor to the Board with respect to the sale of the Series 2013 Bonds. As the Board’s financial advisor, BD Advisors has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and issuance of the Series 2013 Bonds. In its roles of financial advisor to the Board, BD Advisors has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in the Official Statement and the Appendices hereto.
RATING

As set forth on the cover page of this Official Statement, Moody’s Investors Service, Inc. (“Moody’s”) has assigned the Series 2013 Bonds a municipal bond rating of “[_____]” with a stable outlook. A rating reflects only the views of the rating agency assigning such rating, and an explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2013 Bonds. The Board has undertaken no responsibility to oppose any such revision or withdrawal of any such ratings.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

In General

In the opinion of Kutak Rock LLP, Bond Counsel, to be delivered at the time of original issuance of the Series 2013 Bonds, under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2013 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The Board has made certain representations and covenanted to comply with requirements that must be satisfied in order for the interest on the Series 2013 Bonds to be excludable from gross income for federal tax purposes. The opinions set forth above are subject to the accuracy of such representations and continuing compliance by the Board and others with such covenants. Failure to comply with such requirements could cause interest on the Series 2013 Bonds to be included in gross income retroactive to the date of issue of such Series 2013 Bonds.

Notwithstanding Bond Counsel’s opinion that interest on the Series 2013 Bonds is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum taxable income 75% of the excess of such corporations’ adjusted current earnings over their alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

The accrual or receipt of interest on the Series 2013 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2013 Bonds. The extent of these other tax consequences will depend upon such owner’s particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2013 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2013 Bonds.

Tax Treatment of Original Issue Discount

The Series 2013 Bonds that have an original yield above their interest rate, as shown on the inside cover page of this Official Statement, are being sold at a discount (the “Discounted Obligations”). The
difference between the initial public offering prices, as set forth on the inside cover page hereof, of the Discounted Obligations and their stated amounts to be paid at maturity, constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

In the case of an owner of a Discounted Obligation, the amount of original issue discount which is treated as having accrued with respect to such Discounted Obligation is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of a Discounted Obligation (including its sale, redemption or payment at maturity). Amounts received upon disposition of a Discounted Obligation which are attributable to accrued original issue discount will be treated as tax exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Obligation, on days which are determined by reference to the maturity date of such Discounted Obligation. The amount treated as original issue discount on a Discounted Obligation for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discounted Obligation (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discounted Obligation at the beginning of the particular accrual period if held by the original purchaser; (b) less the amount of any interest payable for such Discounted Obligation during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Obligation the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If a Discounted Obligation is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

The Code contains additional provisions relating to the accrual of original issue discount in the case of owners of a Discounted Obligation who purchase such Discounted Obligations after the initial offering. Owners of Discounted Obligations including purchasers of the Discounted Obligations in the secondary market should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to such obligations as of any date and with respect to the state and local tax consequences of owning a Discounted Obligation.

**Tax Treatment of Bond Premium**

The Series 2013 Bonds that have an original yield below their interest rate, as shown on the inside cover page of this Official Statement, are being sold at a premium (collectively, the “Premium Obligations”). An amount equal to the excess of the issue price of a Premium Obligation over its stated redemption price at maturity constitutes premium on such Premium Obligation. An initial purchaser of such Premium Obligation must amortize any premium over such Premium Obligation’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Obligations callable prior to their maturity, by amortizing the premium to the call date, based upon the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, it offsets a corresponding amount of interest for the period and the purchaser’s basis in such Premium Obligation is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Obligation prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. The same treatment is afforded to the Premium Obligations purchased at a premium in the secondary market. Purchasers of Premium Obligations should consult with their own tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning such Premium Obligations.
Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2013 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made after March 31, 2007 to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2013 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Exemption Under State Tax Law

In the further opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2013 Bonds is exempt from taxation for any state, county, school district, special district, municipal or other purpose in the State of Colorado.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series 2013 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2013 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2013 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2013 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2013 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

CONTINUING DISCLOSURE UNDERTAKING

In connection with its issuance of the Series 2013 Bonds, the Board will execute a Continuing Disclosure Undertaking, a form of which is attached hereto as Appendix D, wherein it will agree, for the benefit of the owners and beneficial owners of the Series 2013 Bonds, to file with the Municipal Securities Rulemaking Board in an electronic format certain financial information and other operating data relating to the System and the Net Revenues by not later than 270 days, or earlier if publicly available, after the end of each Fiscal Year commencing with the Fiscal Year ended June 30, 2012, and to provide notices of occurrence of material events as set forth in Rule 15c2-12 promulgated by the Securities and Exchange Commission. The Board is currently in compliance with the terms of any undertaking previously entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

MISCELLANEOUS

This Official Statement and its distribution and use has been duly authorized and approved by the Board. This Official Statement has been executed and delivered by its President on behalf of the Board.
So far as any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

Appendices A, B, C and D are an integral part of this Official Statement and must be read together with all other parts of this Official Statement.

OFFICIAL STATEMENT CERTIFICATION

The undersigned official of the Board hereby confirms and certifies that the execution and delivery of this Official Statement and its use in connection with the offering and sale of the Series 2013 Bonds have been duly authorized by the Board.

STATE BOARD FOR COMMUNITY COLLEGES
AND OCCUPATIONAL EDUCATION

By /s/ Nancy McCallin
President, State Board for Community Colleges and Occupational Education
APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

[TO BE UPDATED BY KUTAK ROCK]

This Appendix includes some of the defined terms used in this Official Statement and the Bond Resolution and summaries of certain provisions of the Bond Resolution that are not described elsewhere in this Official Statement. Whenever particular provisions of the Bond Resolution are referred to, such provisions, together with related definitions and provisions, are incorporated by reference as part of the statements made, and the statements made are qualified in their entirety by such reference. Reference is made to the Bond Resolution for a full and complete statement of their provisions. Copies of the Bond Resolution are available as provided in “INTRODUCTION—Other Information.”
APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE SYSTEM
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012
APPENDIX C

FORM OF OPINION OF BOND COUNSEL

July 10, 2013

State Board for Community Colleges and Occupational Education
Denver, Colorado

$_________


Ladies and Gentlemen:

We have acted as bond counsel to the State Board for Community Colleges and Occupational Education (the “Board”), a body corporate under the laws of the State of Colorado (the “State”), in connection with the issuance by the Board of the State of Colorado, Department of Higher Education, By State Board for Community Colleges and Occupational Education Systemwide Revenue Bonds (Front Range Community College—Larimer & Westminster Campus Projects), Series 2013 (the “Series 2013 Bonds”), in the aggregate principal amount of $__________.

The Series 2013 Bonds are being issued by the Board pursuant to Sections 23-5-101.7, 23-5-102, 23-5-103, 23-5-104 and 23-5-105, Colorado Revised Statutes, as amended (collectively, the “Institutional Enterprise Act”), Sections 23-5-101.5, 23-5-102, 23-5-103, 23-5-104 and 23-5-105, Colorado Revised Statutes, as amended (collectively, the “Auxiliary Facilities Enterprise Act”), Section 23-60-101, et seq., Colorado Revised Statutes, as amended (the “CCC Act”), Article 57, Title 11, Section 201, et seq., Colorado Revised Statutes, as amended (the “Supplemental Act”), Article 5, Title 23, Colorado Revised Statutes, as amended (the “Bond Act”), and a Master Enterprise Bond Resolution, adopted by the Board on December 9, 2009 and a Fourth Supplemental Resolution, adopted by the Board on June 12, 2013 (collectively, the “Bond Resolution”). Any capitalized term used herein and not defined herein shall have the same meaning ascribed thereto in the Bond Resolution unless the context shall clearly otherwise require.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion, including, but not limited to, a letter dated November 30, 1994 from the State Auditor addressed to the President of the System, and a letter dated January 5, 1995 from the Office of the Attorney General of the State addressed to the President of the System. As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

As to questions of fact, we have relied upon the representations of the Board and other parties contained in such certified proceedings, including the Bond Resolution and the Tax Compliance...
Certificate, and in the aforesaid certificates and other instruments and have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents and the conformity to authentic original documents of all documents submitted to us as copies (including facsimiles). We have also assumed the authenticity, accuracy and completeness of the foregoing certifications (of public officials, governmental agencies and departments and individuals) and statements of fact, on which we are relying, and have made no independent investigation thereof.

Based on, subject to and limited by the foregoing, it is our opinion that, as of the date hereof and under existing law:

1. The Board is duly created and validly existing as a body corporate of the State with the corporate power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Series 2013 Bonds.

2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the Board enforceable against the Board.

3. The Bonds have been duly authorized, executed and delivered by the Board and are valid and binding special limited revenue obligations of the Board, payable solely from the sources provided therefor in the Bond Resolution.

4. The Bond Resolution creates a valid lien on the Net Revenues for the benefit of the Bonds, which lien is subject to the lien on the Gross Revenues of the Prior Obligations (except for Gross Revenues derived from 10% of Tuition Revenues, indirect cost recoveries, fees for the provision of faculty and student services, and Federal Direct Payments), as defined in and to the extent provided in the Bond Resolution. All actions have been taken as required by applicable law and the Bond Resolution to insure the validity and enforceability of the lien on the Net Revenues pledged by the Bond Resolution.

5. Under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2013 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. We note, however, that interest on the Series 2013 Bonds is taken into account in determining adjusted current earnings for purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes). We express no opinion regarding other Federal tax consequences arising with respect to the Series 2013 Bonds.

6. Under existing laws, regulations, rulings and judicial decisions, interest on the Series 2013 Bonds is exempt from taxation for any State, county, school district, special district, municipal or other purpose in the State.

The opinions expressed herein are based solely on the documents, representations and assumptions set forth above and subject to the limitations and qualifications described herein. We express no opinion regarding other federal tax consequences arising with respect to the Series 2013 Bonds.

The scope of our engagement has not extended beyond the examinations and the rendering of the opinions expressed herein. This letter is issued to and for the sole benefit of the above addressees and is issued for the sole purpose of the transaction specifically referred to herein. No person other than the above addressees may rely upon this letter without our express prior written consent. This letter may not be utilized by you for the other purpose whatsoever and may not be quoted by you without our express
prior written consent. We have not assumed any responsibility with respect to the creditworthiness of the security for the Series 2013 Bonds, and our engagement as bond counsel with respect to the transaction referred to herein terminates upon the date of this letter. We assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in the current laws, by legislative or regulatory action, by judicial decision or for any other reason.

Very truly yours,
APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by the State Board for Community Colleges and Occupational Education (the “Board”) in connection with the issuance of the State of Colorado, Department of Higher Education, By State Board for Community Colleges and Occupational Education Systemwide Revenue Bonds (Front Range Community College—Larimer & Westminster Campus Projects), Series 2013 (the “Series 2013 Bonds”). The Series 2013 Bonds are being issued pursuant to a Master Resolution adopted by the Board on December 9, 2009 and a Fourth Supplemental Resolution adopted by the Board on June 12, 2013 (collectively, the “Bond Resolution”).

In consideration of the issuance of the Series 2013 Bonds by the Board and the purchase of such Series 2013 Bonds by the owners thereof, the Board hereby covenants and agrees as follows:

Section 1. Purpose of this Disclosure Undertaking. This Disclosure Undertaking is executed and delivered by the Board as of the date set forth below, for the benefit of the holders and owners (the “Bondholders”) of the Series 2013 Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below). The Board represents that it will be the only obligated person (as defined in the Rule) with respect to the Series 2013 Bonds at the time the Series 2013 Bonds are delivered to the Participating Underwriter and that no other person is expected to become an obligated person at any time after the issuance of the Series 2013 Bonds.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Disclosure Undertaking, unless the context clearly otherwise requires.

“Annual Financial Information” means the financial information and operating data described in Exhibit I.


“Audited Financial Statements” means the audited consolidated financial statements of the Board, prepared pursuant to the standards and as described in Exhibit I.

“Commission” means the Securities and Exchange Commission.

“Disclosure Undertaking” means the obligations of the Board pursuant to Sections 4 and 5.

“Dissemination Agent” means any agent designated as such in writing by the Board and which has filed with the Board a written acceptance of such designation, and such agent’s successors and assigns.

“EMMA” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“Material Event” means the occurrence of any of the events with respect to the Series 2013 Bonds set forth in Exhibit II.

“Material Events Disclosure” means dissemination of a notice of a Material Event as set forth in Section 6.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriter” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series 2013 Bonds.

“Prescribed Form” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“Rule” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“State” means the State of Colorado.

Section 3. CUSIP Number/Final Official Statement. The base CUSIP Number of the Series 2013 Bonds is __________. The final Official Statement relating to the Series 2013 Bonds is dated July _____, 2013 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Disclosure Undertaking, the Board hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by the Board’s delivery of such Annual Financial Information and Audited Financial Statements to the MSRB within 270 days of the completion of the Board’s fiscal year.

The Board is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Board will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Disclosure Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Disclosure Undertaking, the Board hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2013 Bonds
or defeasance of any Series 2013 Bonds need not be given under this Disclosure Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2013 Bonds pursuant to the Indenture. From and after the Effective Date, the Board is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Disclosure Undertaking.

Section 6. Duty To Update EMMA/MSRB. The Board shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB’s e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the Board to Provide Information. The Board shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Board to comply with any provision of this Disclosure Undertaking, the Bondholder of any Bond may seek specific performance by court order to cause the Board to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Indenture or the Loan Disclosure Undertaking or any other Disclosure Undertaking, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Board to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Board may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board or type of business conducted;

(ii) This Disclosure Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Series 2013 Bonds, as determined either by parties unaffiliated with the Board or by an approving vote of the Bondholders of the Series 2013 Bonds holding a majority of the aggregate principal amount of the Series 2013 Bonds (excluding Series 2013 Bonds held by or on behalf of the Board or its affiliates) pursuant to the terms of the Indenture at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Disclosure Undertaking. The Disclosure Undertaking of the Board shall be terminated hereunder when the Board shall no longer have any legal liability for any obligation on or relating to the repayment of the Series 2013 Bonds. The Board shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and
may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Undertaking. If the Board chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Undertaking, the Board shall not have any obligation under this Disclosure Undertaking to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Disclosure Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Disclosure Undertaking shall inure solely to the benefit of the Board, the Dissemination Agent, if any, and the Bondholders of the Series 2013 Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The Board shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Past Compliance. The Board represents that it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 15. Assignment. The Board shall not transfer its obligations under the Bond Resolution unless the transferee agrees to assume all obligations of the Board under this Disclosure Undertaking or to execute a continuing disclosure undertaking under the Rule.

Section 16. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State.
Dated: July 10, 2013

[SEAL]

STATE BOARD FOR COMMUNITY COLLEGES
AND OCCUPATIONAL EDUCATION

By ________________________________

John Trefny
Chair

Attest:

By ________________________________

Nancy McCallin
Secretary

[Signature Page to Continuing Disclosure Undertaking]
EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING
AND AUDITED FINANCIAL STATEMENTS

“Annual Financial Information” means annual financial information and operating data of the

type set forth in the Official Statement, including, but not limited to, such financial information and

operating data set forth in the table entitled “Schedule of Prior Bonds” under the caption “SECURITY

AND SOURCES OF PAYMENT FOR THE SERIES 2013 BONDS—Outstanding Prior Obligations,” all

of the tables set forth under the caption “THE NET REVENUES” AND “FINANCIAL INFORMATION

CONCERNING THE SYSTEM.”

All or a portion of the Annual Financial Information and the Audited Financial Statements as set

forth below may be included by reference to other documents which have been submitted to the MSRB or

filed with the Commission. The Board shall clearly identify each such item of information included by

reference.

Annual Financial Information will be provided to the MSRB within 270 days after the last day of

the Board fiscal year. Audited Financial Statements as described below should be filed at the same time

as the Annual Financial Information. If Audited Financial Statements are not available when the Annual

Financial Information is filed, unaudited financial statements shall be included, and Audited Financial

Statements will be provided to the MSRB within 10 business days after availability to the Board.

Audited Financial Statements will be prepared in accordance with generally accepted accounting

principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the

Disclosure Undertaking, including for this purpose a change made to the fiscal year end of the Obligated

Person, the Board will disseminate a notice to the MSRB of such change in Prescribed Form as required

by such Section 4.
EXHIBIT II

EVENTS WITH RESPECT TO THE SERIES 2013 BONDS
FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Nonpayment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Series 2013 Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Board
13. The consummation of a merger, consolidation or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.
INVITATION TO BID

Electronic bids via Parity® will be received on behalf of the State Board for Community Colleges and Occupational Education (the “Board”) by the Board’s Financial Advisor, BD Advisors LLC (the “Financial Advisor”), at 1801 California Street, Suite 3100, Denver, Colorado 80202, between 11:30 a.m. and 12:00 p.m. Eastern Standard Time (between 9:30 a.m. and 10:00 a.m. Mountain Standard Time), on ____________, 2013, for the purchase of the above-described revenue bonds (the “Bonds”) of the Board, aggregating $_____________.

As described herein, the date and time for submitting bids will be as follows:

Bid Date: _______________, 2013
Bid Time: Between 11:30 a.m. and 12:00 p.m. Eastern Standard Time (Between 9:30 a.m. and 10:00 a.m. Mountain Standard Time)
Submit Bid to: Parity®
Delivery Date: July 10, 2013

Information relating to this auction may be obtained from the Board’s Financial Advisor BD Advisors LLC at 720.838.5001 or at bdadvisors@suite-services.com (Bill Dougherty).

BD ADVISORS LLC
FINANCIAL ADVISOR
**Bond Details and Maturity Date.** The Bonds will be dated July 10, 2013, will bear interest payable semiannually on the first days of May and November in each year until maturity, commencing on November 1, 2013, and will mature in annual serial installments on November 1 in the following years and amounts:

<table>
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<tr>
<th>Years of Maturity (November 1)*</th>
<th>Principal Amounts Maturing*</th>
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<tbody>
<tr>
<td>2014</td>
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</tbody>
</table>

**Term Bonds.** Any bidder may, at its option, specify that the maturities of the Bonds will consist of term bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, (a “Term Bond”) as designated in the bid of such bidder. In the event that the bid of the successful bidder specifies that any maturity of Bonds will be a Term Bond, such Term Bond will be subject to mandatory sinking fund redemption on November 1 of each applicable year, in the principal amount for such year as set forth above, as may be modified as set forth above, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without redemption premium.

**Adjustment of Principal Amounts.** The aggregate principal amount and the principal amount of each maturity of Bonds described above are subject to adjustment by the Board, after the determination of the best bid. Changes to be made will be communicated to the successful bidder at the time of award of the Bonds, and will not reduce or increase the aggregate principal amount of Bonds or the amount of the Bonds maturing in any year by more than 10% from the amounts shown in the maturity schedule above. If the principal amount is modified, the underwriting discount percentage (not the dollar amount of the underwriting discount) will be held constant according to the underwriting discount percentage imputed in the reoffering yields of the successful bidder. The successful bidder may not withdraw its bid as a result of any changes made within these limits. By submitting its bid, each bidder agrees to purchase the Bonds in such adjusted principal amounts and to modify the purchase price for the Bonds to reflect such

* Preliminary; subject to change.
adjusted principal amounts. The bidder further agrees that the interest rates for the various maturities as designated by the bidder in its bid will apply to any adjusted principal amounts designated by the Board for such maturities.

**Amendment of Notice.** In addition, the Board reserves the right to amend this Notice of Bond Sale at any time prior to the date and time for receipt of bids by publishing the amendments via TM3.com and/or Bloomberg wire service.

**Postponement.** The Board reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced via TM3.com and/or Bloomberg wire service prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the Bonds is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the Bonds in conformity in all respects with the provision of this Notice of Bond Sale, except for the date and time of sale and except for any changes announced at the time the sale date and time are announced.

**DTC.** One bond certificate representing each maturity of the Bonds will be issued to and registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York (“DTC”), as registered owner of the Bonds, and such bond certificates shall be immobilized in the custody of DTC or with the Bond Registrar and Paying Agent to be held under DTC’s “FAST” system. DTC will act as securities depository for the Bonds. Purchasers will not receive physical delivery of certificates representing their interests in the Bonds purchased. The successful bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates with DTC or with the Paying Agent to be held under DTC’s “FAST” system.

**Payment of Principal and Interest.** The Bonds will be fully registered without coupons. The principal of, premium, if any, and interest on the Bonds will be payable in lawful money of the United States of America. The principal of and premium, if any, on the Bonds are payable upon presentation and surrender thereof at the principal office of The Bank of New York Mellon Trust Company, N.A. (the “Paying Agent” and “Registrar”). Interest on the Bonds will be paid on each Interest Payment Date (or, if such Interest Payment Date is not a business day, on the next succeeding business day), by check or draft mailed to the person in whose name such Bond is registered in the registration records of the Board maintained by the Registrar, and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the “Regular Record Date”). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date (as defined in the Bond Resolution). Alternative means of payment of interest may be used if mutually agreed to between the owner of any Bond and the Paying Agent, as provided in the Bond Resolution. Notwithstanding the foregoing, while the Bonds are registered under DTC’s book-entry-only system, payment of the principal of and interest on the Bonds shall be made by the Paying Agent to DTC or its nominee in accordance with the procedures of DTC.

**Optional Redemption.** The Bonds maturing on and before November 1, 2023 are not subject to redemption prior to maturity. The Bonds maturing on and after November 1, 2024 are callable for redemption prior to maturity at the option of the Board, in whole or in part in integral multiples of $5,000, and if in part in such order of maturities as the Board shall determine and by lot within a maturity, on November 1, 2023, and on any date thereafter, at a redemption price equal to the principal amount of such Bonds being redeemed plus accrued interest to the redemption date, without redemption premium.
Authorization. The Bonds are special, limited obligations of the Board being issued pursuant to a Master Enterprise Bond Resolution adopted by the Board on December 9, 2009, as amended and supplemented pursuant to a Fourth Supplemental Resolution adopted by the Board on June ___, 2013 (together, the “Bond Resolution”), and in full compliance with the Constitution and laws of the State of Colorado (the “State”), particularly Section 5 of Article VIII of the State Constitution, Title 23, Article 60, Colorado Revised Statutes, as amended, and Sections 23-5-101.7, 23-5-102, 23-5-103, 23-5-104 and 23-5-105, Colorado Revised Statutes, as amended. The proceeds of the sale of the Bonds will be used to (a) construct a new Integrated Technology Building on the Larimer campus and construct, improve, equip, renovate, expand and upgrade various other campus facilities (the “Larimer Campus Project”); (b) construct, improve, equip, renovate, expand and upgrade various Westminster campus facilities including parking lot safety improvements, a new multipurpose performance space, student club and gathering space, quiet study rooms, upgraded gym and fitness facilities, outdoor eating areas and game room space (the “Westminster Campus Project”); (c) any other capital improvements to the System (collectively, the Series 2013 Improvements Project”); (d) fund capitalized interest on the Bonds; and (e) pay costs of issuance of the Bonds.

Security for Bonds. The principal of and interest on the Bonds are payable solely from Net Revenues (as defined in the Bond Resolution) derived from or in respect of certain facilities and operations of the System (as defined in the Bond Resolution). Net Revenues are calculated by determining the Gross Revenues (as defined in the Bond Resolution) less the debt service on the Prior Obligations (as defined in the Bond Resolution) and Operation and Maintenance Expenses (as defined in the Bond Resolution) not paid as part of the Prior Obligations. The payment of the Bonds will not be secured by an encumbrance, mortgage or other pledge of any property except Net Revenues. The Bonds do not constitute a general obligation of the Board or a debt or obligation of the State except to the extent provided for in the State Intercept Program.

Bidding Details and Parity®. Electronic bids will be received via Parity®, in the manner described below, between 11:30 a.m. and 12:00 p.m. Eastern Standard Time (between 9:30 a.m. and 10:00 a.m. Mountain Standard Time), on _____________, 2013, but no bid will be received after such designated time. To the extent any instructions or directions set forth in Parity® conflict with this Notice of Bond Sale, the terms of this Notice of Bond Sale shall control. For further information about Parity®, potential bidders may contact Parity® at Dalcomp, Telephone: (212) 849-5021.

Each prospective electronic bidder shall be solely responsible to submit its bid via Parity® as described above. Each prospective electronic bidder shall be solely responsible to make necessary arrangements to access Parity® for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Bond Sale. Neither the Board nor Parity® shall have any duty or obligation to provide or assure access to Parity® to any prospective bidder, and neither the Board nor Parity® shall be responsible for proper operation of, or have any liability for delays or interruptions of, or any damages caused by, Parity®. The Board is using Parity® as a communication mechanism, and not as the Board’s agent, to conduct the electronic bidding for the Bonds. The Board is not bound by any advice and determination of Parity® to the effect that any particular bid complies with the terms of this Notice of Bond Sale and in particular the bid parameters hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their submissions of bids via Parity® are the sole responsibility of the bidders; and the Board is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, he should telephone Parity® at Dalcomp, Telephone: (212) 849-5021 and notify the Board’s Financial Advisor, BD Advisors LLC, at (720) 838-5001.

Time of Bid. Electronic bids must be submitted for the purchase of the Bonds (all or none) via Parity®. Bids will be communicated electronically to the Board at 12:00 p.m. Eastern Standard Time
(10:00 a.m. Mountain Standard Time), on the date of sale. Prior to that time, a prospective bidder may 
(a) submit the proposed terms of its bid via Parity®; (b) modify the proposed terms of its bid, in which 
event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute 
its bid for the Bonds; or (c) withdraw its proposed bid. Once the bids are communicated electronically 
via Parity® to the Board, each bid will constitute an irrevocable offer to purchase the Bonds on the terms 
therein provided. For purposes of the electronic bidding process, the time as maintained on Parity® shall 
constitute the official time.

THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE 
BONDS AT THE INITIAL OFFERING PRICES AND SHALL PROVIDE THE RELATED 
CERTIFICATION DESCRIBED BELOW.

Bidding Rules. Bidders may only bid to purchase all of the Bonds. Bidders shall submit one bid 
via Parity® on an all-or-none basis for the Bonds. Each bid must be unconditional. Each proposal must 
specify the amount bid for the Bonds. The amount bid shall not be less than 99% of par or more than 
105% of par, plus accrued interest to the date of delivery of the Bonds.

Interest Rates. Each proposal for the Bonds must specify in multiples of 1/8 or 1/20 of 1% the 
rate or rates of interest per annum which the Bonds are to bear but shall not specify (a) more than one 
interest rate for any Bonds having the same maturity, (b) a zero rate of interest, and (c) any interest rate 
for any Bonds which exceeds the interest rate stated in such proposal for any other Bonds by more than 
3%. Rates are not required to be in level or ascending order; however, the rate for any maturity cannot be 
more than 1% lower than the highest rate of any of the preceding maturities. Each bid on the Bonds must 
specify the total interest cost to the Board during the term of such Bonds on the basis of such bid, the 
premium, if any, offered by the bidder, and the net interest cost to the Board on the basis of such bid, all 
certified by the bidder to be correct. The Board will be entitled to rely on the certificate of correctness of 
the bidder. Each bid must also specify the true interest cost to the Board on the basis of such bid.

Basis of Award and TIC. Electronic bids will be opened promptly after 12:00 p.m. Eastern 
Standard Time (10:00 a.m. Mountain Standard Time) as determined in accordance with the time as 
maintained on Parity® on the date of sale. Any bids for the purchase of less than all of the Bonds will be 
rejected. The Bonds will be awarded on behalf of the Board by the Financial Advisor to the bidder whose 
proposal provides the lowest interest cost to the Board within the guidelines of this Notice of Bond Sale. 
The award of the Bonds will be made on the basis of the lowest true interest cost (“TIC”) to the Board, 
which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage 
rate) which, when used in computing the present value of all payments of principal and interest to be paid 
on the Bonds, from the payment date to the issue date of July 10, 2013, produces an amount equal to the 
par amount of the Bonds, plus the premium or less the discount, if any. Present value will be computed 
on the basis of semiannual compounding and a 360-day year of twelve 30-day months. If there is any 
discrepancy between the TIC specified and the interest rates and premium specified, the specified interest 
rates and premium shall govern, and the TIC specified in the bid shall be adjusted accordingly. If two or 
more proper bids providing for identical amounts for the lowest TIC are received, the Board will 
determine which bid, if any, will be accepted, and its determination will be final. The Board reserves the 
right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any bid for the 
Bonds received after 12:00 p.m. Eastern Standard Time (10:00 a.m. Mountain Standard Time) on the date 
of sale will not be considered.

Bond Insurance. Any bidder, if it so chooses and at its own expense, may qualify one or more 
maturities of the Bonds for municipal bond insurance. If any Bonds qualify for issuance of any policy of 
municipal bond insurance pursuant to the bid submitted by the successful bidder, any purchase of such 
insurance or commitment therefor shall be made at the sole option and expense of the successful bidder
and any increased cost of issuance of the Bonds resulting by reason of such insurance (including, without limitation, the premium for any such policy of municipal bond insurance and the fees of any rating agencies in connection therewith) shall be paid by such successful bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the successful bidder of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

Good Faith Deposit. The winning bidder will be required to provide a deposit in the amount of $_________ to the Board as bid security by 5:00 p.m. Mountain Standard Time on ____________ , 2013. The bid security shall be provided to the Board via wire transfer in accordance with the following wire instructions:

The Bank of New York Mellon  
ABA # 021-000-018  
GLA # 111-565  
For Further Credit To: TAS 143594 - CO Comm College Good Faith Fund  
Attn: Ryan Pollihan (303) 764-3572

The bid security will be retained by the Board and: (a) will be applied, without allowance for interest, against the purchase price when the Bonds are delivered to and paid for by such winning bidder or (b) will be retained by the Board as liquidated damages if the bidder defaults with respect to the bid or (c) will be returned to the bidder if the Bonds are not issued by the Board for any reason which does not constitute a default by the bidder.

CUSIPs. It is anticipated that CUSIP identification numbers will be assigned to the Bonds or imprinted on Bond certificates, but neither the failure to obtain any such number or imprint the number on a certificate, nor any error with respect thereto, shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Bond Sale. All expenses in relation to obtaining the CUSIP numbers and printing of the CUSIP numbers on the Bonds shall be paid for by the winning bidder.

Legal Opinion. The Bonds will be issued and sold subject to approval as to legality by Kutak Rock LLP, an executed copy of whose approving opinion will be delivered upon request and without charge to the successful bidder for the Bonds. Reference is made to the Preliminary Official Statement for further discussion of federal and State income tax matters relating to the interest on the Bonds and for the form of opinion of Bond Counsel.

Official Statement. Within seven business days after the award of the Bonds to the successful bidder on the date of sale (or such shorter period as is required to comply with applicable law), the Board will authorize and deliver to the successful bidder an Official Statement which is expected to be substantially in the form of the Preliminary Official Statement referred to below which has been deemed final by the Board, in accordance with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended. If requested by the purchaser of the Bonds at or before the close of business on the date of the sale, the Board will include in the Official Statement such pricing and other information relating to the reoffering of the Bonds (the “Reoffering Information”), if any, as may be specified and furnished in writing by such bidder. If no Reoffering Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. The successful bidder shall be responsible to the Board and its officials for the Reoffering Information, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any
documents, including the Official Statement. The successful bidder will be furnished, without cost, a reasonable number of copies of the Official Statement (and any amendments and supplements thereto, except to the extent such amendments or supplements are required due to a change in the Reoffering Information provided by the successful bidder) (but in no event shall more than 50 copies be provided). An electronic version of the Official Statement may be obtained from Merit Financial Press, Inc. at www.meritos.com.

Continuing Disclosure. In order to assist the successful bidder with its obligations under SEC Rule 15c2-12(b)(5), the Board will covenant to provide certain ongoing disclosure with respect to the Bonds. The Board’s continuing disclosure covenant will be more fully described in or accompany the Preliminary Official Statement and the final Official Statement.

Reoffering Prices. THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL OFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED BELOW.

Upon award of the Bonds, the successful bidder shall advise the Board of the initial reoffering prices to the public of each maturity of the Bonds (the “Initial Reoffering Prices”). SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER SHALL FURNISH TO THE BOARD A CERTIFICATE ACCEPTABLE TO BOND COUNSEL (A) CONFIRMING THE INITIAL REOFFERING PRICES; AND (B) CERTIFYING (i) THAT THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES; (ii) THAT A SUBSTANTIAL AMOUNT OF THE BONDS WAS SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT SUCH INITIAL REOFFERING PRICES; AND (iii) THE PRICES AT WHICH A SUBSTANTIAL PORTION OF EACH MATURITY OF THE BONDS WERE SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS, AND OTHER INTERMEDIARIES). Bond counsel advises that (A) such certificate must be made on the best knowledge, information and belief of the successful bidder; (B) the sale to the public of 10% or more in par amount of the Bonds of each maturity at (or below) the Initial Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds; and (C) reliance on other facts as a basis for such certification would require evaluation by bond counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

Delivery of Bonds. It is anticipated that the Bonds will be delivered to the successful bidder without expense through the facilities of DTC in New York, New York, on July 10, 2013, or as soon as practicable thereafter, and thereupon such successful bidder shall be required to accept delivery of the Bonds purchased and to pay, in federal funds, the balance of the purchase price due. The Bonds will be accompanied by the customary closing documents, including a continuing disclosure certificate and a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of any of the Bonds. It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, the successful bidder shall be furnished a certificate or certificates of the Board to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except as to any Reoffering Information provided by the purchaser, information concerning the provider of any municipal bond insurance with respect to the Bonds and information regarding DTC and DTC’s book-entry system provided by DTC, as to which no view will be expressed), as of the date of sale and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of
the Board, except as reflected or contemplated in the Official Statement (and any amendment or supplement thereto).

**Preliminary Official Statement.** An electronic version of the Preliminary Official Statement, together with the Notice of Bond Sale, may be obtained from Merit Financial Press, Inc. at www.meritos.com. Such Preliminary Official Statement is deemed final by the Board as of its date for purposes of SEC Rule 15c2-12, but is subject to revision, amendment and completion in the Official Statement referred to above.

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

By /s/ Mark Superka
Mark Superka
Vice President for Finance and Administration
PAYING AGENCY, TRANSFER AGENCY
AND BOND REGISTRAR AGREEMENT

by and between

STATE BOARD FOR COMMUNITY COLLEGES
AND OCCUPATIONAL EDUCATION

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

$__________

State of Colorado, Department of Higher Education,
by State Board for Community Colleges and Occupational Education
Systemwide Revenue Bonds
(Front Range Community College – Larimer & Westminster Campus Projects)
Series 2013

Dated as of July 1, 2013
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EXHIBIT A SCHEDULE OF FEES
PAYING AGENCY, TRANSFER AGENCY
AND BOND REGISTRAR AGREEMENT

THIS PAYING AGENCY, TRANSFER AGENCY AND BOND REGISTRAR AGREEMENT (this “Agreement”) is by and between the STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION (the “Board”) and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (the “Paying Agent”).

The Board has appointed the Paying Agent to act as Trustee, Transfer Agent and Bond Registrar for the purpose of disbursing payment of principal of and interest on the obligations of the Board known as the State of Colorado, Department of Higher Education, by State Board for Community Colleges and Occupational Education Systemwide Revenue Bonds (Front Range Community College – Larimer & Westminster Campus Project), Series 2013 (the “Series 2013 Bonds”), and administering certain funds and accounts established pursuant to the terms of the Bond Resolution defined below.

The Master Enterprise Bond Resolution adopted by the Board on December 9, 2009 (the “Master Resolution”), as supplemented and amended by the Fourth Supplemental Resolution adopted by the Board on June 12, 2013 (the “Fourth Supplemental Resolution,” and together with the Master Resolution, the “Bond Resolution”). Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Bond Resolution, which is hereby incorporated by reference.

Section 1. Paying Agent Services. The Paying Agent hereby accepts all duties and responsibilities required or permitted to be performed by the Paying Agent as provided in the Bond Resolution, and shall be subject to the provisions and limitations thereof. The Bond Resolution is incorporated herein by reference.

The Paying Agent shall disburse principal of and interest on the Series 2013 Bonds on behalf of the Board on the dates provided in the Bond Resolution (the “Payable Dates”). The Paying Agent understands and acknowledges that, by reason of the execution hereof, it has assumed a role of agent with respect to the disbursements of funds received from the Board for the purposes of paying the principal of and interest due on the Series 2013 Bonds.

Section 2. Availability of Funds. Not later than the 15 calendar days prior to each Payable Date, the Board will transfer to the Paying Agent’s Municipal Corporate Trust Department, The Bank of New York Mellon Trust Company, N.A., 1775 Sherman Street, Suite 2775, Denver, Colorado 80203 for deposit into the Debt Service Fund the amount necessary in cleared funds to pay all principal, premium, if any, and interest due on such Payable Date.

Section 3. Checks for Disbursement. The Paying Agent will provide checks for the disbursement of principal, premium, if any, and interest on the Series 2013 Bonds at the expense of the Board.

Section 4. Transfer of Certificates. The Paying Agent will transfer certificates and record the transfer in accordance with applicable law, regulations, and custom if properly endorsed or accompanied by the proper instrument(s) of assignment and bearing an acceptable
signature guarantee. Transfer will be refused or delayed in the case of any lost, stolen or destroyed certificates, until the ownership of such certificate is satisfactorily established and indemnity satisfactory to the Paying Agent is in place. The Paying Agent will establish requirements for placing stop payments and issuing replacement certificates for lost, stolen or destroyed certificates.

Section 5. Initial Registry of Bondholders. The Board will provide the Paying Agent with an initial registry of the bondholders, listing name, address, and taxpayer identification number within a reasonable time period of the date Paying Agent is required to deliver the certificates.

Section 6. Record Date for Payment and Transfers. Record dates for payment of principal of and interest on the Series 2013 Bonds and for processing transfers shall be as set forth in the Bond Resolution.

Section 7. Statement and Cancelled Bonds. The Paying Agent shall retain all certificates that it has received for transfer or has received for cancellation or has paid on behalf of the Board. After a Payable Date, the Paying Agent shall prepare and deliver to the Board an itemized statement of all principal, premium, if any, and interest paid by the Paying Agent during the previous statement period. The Board gives the Paying Agent the authority at the Paying Agent’s option to destroy or return said cancelled bonds at any time.

Section 8. Delivery of Records and Documents. The Paying Agent is authorized to deliver to the Board any records, certificates and documents made or accumulated in the performance of its duties as Paying Agent. The Board agrees to return any or all of the records, certificates and documents at the Paying Agent’s request.

Section 9. Annual Accounting; Final Statement-Unclaimed Funds. The Paying Agent shall comply with the requirements set forth in Section 8.21 of the Master Resolution with respect to annual accounting to the Board of all financial transactions relating to the Net Revenues and other matters referred to in that Section. Within six months after the final maturity date for the Series 2013 Bonds, the Paying Agent shall present a final statement and shall return any unclaimed funds to the Board. All canceled bonds and blank unused certificates retained by the Paying Agent shall either be destroyed by the Paying Agent or returned to the Board. The final statement shall include a list of any unpaid bonds and any outstanding or unclaimed interest checks. The Board agrees to pay all unpaid bonds and interest payments from the funds returned to it by the Paying Agent. The Board releases the Paying Agent from any further liability or responsibility for payment upon receipt of the final statement.

Section 10. Indemnification. The Paying Agent agrees to indemnify the Board for all errors and omissions for which the Paying Agent is responsible in connection with the services rendered under this Agreement and the Bond Resolution arising from negligence or willful misconduct of the Paying Agent.

Section 11. Termination and Amendment. This Agreement shall terminate upon delivery of the final statement under Section 9 hereof. Either party may terminate this Agreement prior to that time upon 30 days’ written notice. If no successor agent is named, the
Paying Agent shall turn over all funds and reports to the Board as soon as possible after the effective date of the termination notice. The parties may upon mutual agreement amend this Agreement, in writing, at any time.

Section 12. Compensation. The Board shall pay the Paying Agent fees, in accordance with the schedule attached hereto as Exhibit A, for services performed hereunder. In addition to such fees, the Board shall reimburse the Paying Agent for extraordinary expenses reasonably incurred by the Paying Agent on behalf of the Board in connection with the performance of services hereunder; provided, however, that the Board shall not reimburse the Paying Agent unless Paying Agent has delivered to the Board invoices and other information to substantiate such expenses. The aggregate amount to be paid by the Board to Paying Agent under this Agreement shall not exceed $5,000 in any given year.

If the Paying Agent renders any service hereunder not provided for in this Agreement, or the Paying Agent is made a party to or intervenes in any litigation pertaining to this Agreement or institutes interpleader proceedings relative hereto, the Paying Agent shall be compensated reasonably by the Board for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket and incidental expenses and legal fees and expenses occasioned thereby; provided, however, that any such compensation or reimbursement shall be made by the Board solely out of Net Revenues (as defined in the Bond Resolution). This Section 12 shall survive the termination of this Agreement and the earlier removal or resignation of the Paying Agent.

Section 13. Prior Agreements Superseded. This Agreement cancels and supersedes all other agreements presently in force between the parties with respect to the Series 2013 Bonds.

Section 14. Notices. All notices required or authorized to be sent under this Agreement shall be deemed sufficient when given in writing and mailed by first-class mail to:

to the Board: Colorado Community College System  
9101 East Lowry Boulevard  
Denver, CO 80230-6011  
Attention: System Controller  
Telephone: (303) 620-4000

to the Paying Agent: The Bank of New York Mellon Trust Company, N.A.  
Municipal Corporate Trust Department  
1775 Sherman Street  
Suite 2775  
Denver, CO 80203  
Telephone: (303) 764-3572

Section 15. Governing Law. This Agreement shall be governed by the laws of the State of Colorado.

[Signatures on following page]
IN WITNESS WHEREOF, the parties to this Agreement have each caused this Agreement to be duly executed as of this 1st day of July, 2013.

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

By ________________________________
Mark Superka
Vice President for Finance and Administration

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Paying Agent

By ________________________________
Ryan Pollihan
Vice President

[Signature Page to Paying Agency, Transfer Agency and Bond Registrar Agreement]
EXHIBIT A

SCHEDULE OF FEES
TAX COMPLIANCE CERTIFICATE

$_________

State of Colorado, Department of Higher Education
By State Board for Community Colleges and Occupational Education
Systemwide Revenue Bonds
(Front Range Community College – Larimer & Westminster Campus Projects)
Series 2013

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 $________ aggregate principal amount of the Board’s Systemwide Revenue Bonds (Front Range Community College – Larimer & Westminster Campus Projects), Series 2013 (the “Series 2013 Bonds”) issued under the Master Enterprise Bond Resolution adopted by the Board on December 9, 2009 (the “Master Resolution”), as supplemented to the date hereof by the Fourth Supplemental Resolution adopted by the Board on June 12, 2013 (the “Fourth 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 2013 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 2013 Bonds has been delegated.

1.5 Certifications with respect to the structuring of the Series 2013 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 ________________, as underwriter of the Series 2013 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 2013 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 2013 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 Series 2013 Improvements Project as defined in Section 147(b) of the Code.

“Average Maturity” means the weighted average maturity of the Series 2013 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 2013 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 2013 Bonds, and the first Bond Year shall commence on the Date of Issuance of the Series 2013 Bonds and end on November 1, 2013 (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 2013 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.


“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 $1,590.00. The foregoing amount is applicable for calendar year 2013 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
2013 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 2013 Bonds at a discount below the price at which a
substantial number of the Series 2013 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 2013 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 2013 Bonds);
(d) trustee or paying agent fees incurred in connection with the issuance of the
Series 2013 Bonds;
(e) accountant fees incurred in connection with the issuance of the Series
2013 Bonds;

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(f) printing costs (for the Series 2013 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 2013 Bonds.

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

“Date of Issuance” means July 10, 2013.

“Debt Service Fund” means the portion of the Debt Service Fund established by the Board pursuant to the Bond Resolution applicable the Series 2013 Bonds including the Series 2013 Interest Account and Series 2013 Principal Account.

“Discharged” means, with respect to any Series 2013 Bond, the date on which all amounts due with respect to such Series 2013 Bond are actually and unconditionally due, if cash is available at the place of payment, and no interest accrues with respect to such Series 2013 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.

“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 2013 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 2013 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 2013 Bonds.

“Installment Computation Date” means November 1, 2017, 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 2013 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 2013 Bonds is $__________.

“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) $37,000 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 $106,000. The foregoing limitations are effective for calendar year 2013 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 2013 Bonds including Series 2013 Rebate Account, as well as any other fund or account established to pay rebate with respect to the Series 2013 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 2013 Bonds or a Qualified Hedging Transaction is entered into, or terminated, in connection with the Series 2013 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 2013 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 2013 Bonds or to the governmental purpose of the Series 2013 Bonds to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Series 2013 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 2013 Bonds, including amounts used to pay underwriters’ discount or compensation and accrued interest other than Pre-Issuance Accrued Interest.

“Series 2013 Bonds” means the $____________ principal amount of the Series 2013 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 Bonds (Front Range Community College-Larimer & Westminster Campus Projects), Series 2013.”

“Series 2013 Expense Account” means the Series 2013 Expense Account created under the Bond Resolution.

“Series 2013 Improvements Project” means the Capital Expenditures to be financed with Proceeds of the Series 2013 Bonds as more fully described in Exhibit D hereto.

“Series 2013 Improvements Project Account” means the portion of the Series 2013 Improvements Project Account established pursuant to the Fourth Supplemental Resolution allocable to the Series 2013 Bonds.

“Series 2013 Interest Account” means the portion of the Series 2013 Interest Account established pursuant to the Fourth Supplemental Resolution allocable to the Series 2013 Bonds.

“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 2013 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 2013 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 2013 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 2013 Bonds.

2.1 The Series 2013 Bonds are being issued for the purpose of providing funds to (a) finance Capital Expenditures for the Series 2013 Improvements Project; (b) pay capitalized
interest to pay a portion of the interest due on the Series 2013 Bonds through November 1, 2014]; and (c) pay the costs and expenses associated with the issuance of the Series 2013 Bonds.

2.2 The Average Economic Life of the Series 2013 Improvements Project financed and refinanced with Proceeds of the Series 2013 Bonds is expected to be greater than _____ years. The Average Maturity of the Series 2013 Bonds (___ years) does not exceed 120% of the combined Average Economic Life of the Series 2013 Improvements Project financed with Proceeds of the Series 2013 Bonds. The Board does not expect that the plan of financing relating to the Series 2013 Bonds will result in the creation of any replacement proceeds within the meaning of Section 1.148-1(c) of the Regulations.

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

3.1 The Series 2013 Bonds will be sold to the Underwriter for a purchase price of $__________, constituting the $__________ par amount of the Series 2013 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 2013 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 Series 2013 Improvements Project Account to finance the Series 2013 Improvements Project;

   (b) $________ of Sale Proceeds will be deposited in the Series 2013 Interest Account to pay capitalized interest on the Series 2013 Bonds; and

   (c) $________ of Sale Proceeds will be deposited in the Series 2013 Expense Account and expended on payment of the costs anticipated to be incurred in connection with the issuance of the Series 2013 Bonds.

4. **Temporary Period and Investments for Certain Proceeds; and Series 2013 Expense Account; Series 2013 Improvements Project Account and Series 2013 Interest Account.**

4.1 The portion of the Sale Proceeds of the Series 2013 Bonds deposited to the Series 2013 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 2013 Bonds, and thereafter, at a yield in not excess of one-eighth of one percent (.125%) above the Yield on the Series 2013 Bonds.

4.2 Within six months after the Date of Issuance of the Series 2013 Bonds, the Board will enter into contracts with third parties for the Series 2013 Improvements Project obligating expenditures in excess of 5% of the Net Sale Proceeds of the Series 2013 Bonds. The Board will proceed with due diligence to complete the Series 2013 Improvements Project.
4.3 The Sale Proceeds of the Series 2013 Bonds deposited in the Series 2013 Improvements Project Account are expected to be expended for payment of costs which are directly related to and necessary for the financing of the Capital Expenditures for the Series 2013 Improvements Project substantially in accordance with the schedule set forth in Exhibit D hereto.

4.4 (a) Sale Proceeds deposited in the Series 2013 Improvements Project Account and in the Series 2013 Interest Account to fund capitalized interest on the Series 2013 Bonds may be invested in obligation that bear a Yield in excess of the Bond Yield until the date which is three years from the Date of Issuance, and thereafter, may not be invested in obligations which bear a yield in excess of one eight of one percent (.125%) above the Yield of the Series 2013 Bonds.

(b) Any interest earnings or investment gains realized from the investment of the amounts described in subparagraph (a) may be reinvested pending disbursement in obligations that bear a yield in excess of the Yield on the Series 2013 Bonds. The period of unrestricted investment of such earnings will not exceed the longer of (a) a one-year period beginning on the date of receipt of such investment or (b) the period ending on the date which is three years from the Date of Issuance. After the period of unrestricted reinvestment of investment earnings described in the Subsection, such earnings will not be invested in obligations that bear a Yield in excess of one-eighth of one percent (.125%) above the Bond Yield. Such investment savings or investment gains will be expended on the Series 2013 Improvements Project.

4.5 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. Reserved.

6. **Debt Service Fund.** Amounts deposited in the Debt Service Fund are to be expended to pay principal of and interest on the Series 2013 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 2013 Bonds or one year’s interest earnings on such funds and except for amounts deposited therein to fund capitalized interest on the Series 2013 Bonds). Accordingly, the Debt Service Fund constitutes a bona fide debt service fund (except for amounts deposited therein to fund capitalized interest on the Series 2013 Bonds). 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 2013 Bonds within one year of receipt thereof (except for amounts deposited therein to fund capitalized interest on the Series 2013 Bonds). Such amounts deposited to the Debt Service Fund (except for amounts deposited therein to fund capitalized interest on the Series 2013 Bonds) may be invested without regard to investment yield limitation for a period of thirteen months (13) from the date of deposit therein, and thereafter, may not be invested in obligations bearing a Yield in excess of the Bond Yield.

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 2013 Bonds. The Board shall additionally use a Consistently Applied Accounting Method for allocating Proceeds of the Series 2013 Bonds to Expenditures, subject to the Current Outlay of Cash rule.

7.2 The Board shall not commingle Proceeds of the Series 2013 Bonds with any other funds.

7.3 In connection with the Series 2013 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 2013 Bonds or any contract securing the Series 2013 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 2013 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 2013 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, 2018) 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 2013 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 2013 Bonds; (ii) expects to expend Sale Proceeds of the Series 2013 Bonds within the expected temporary periods; and (iii) does not expect to retire any of the Series 2013 Bonds earlier than shown in the Yield computations for the Series 2013 Bonds.

(e) **Rebate Account.** Moneys that are not Gross Proceeds of the Series 2013 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 2013 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 2013 Bonds. Investment of such Proceeds of the Series 2013 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 2013 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 2013 Bonds were sold is $_________, which is the par amount of the Series 2013 Bonds plus original issue premium of $_________. There is no Pre-Issuance Accrued Interest on the Series 2013 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 2013 Bonds is not less than _____%.

9. **Rebate Requirement and Investment Instructions.**

9.1 **Arbitrage Compliance.** The Board acknowledges that the continued exclusion of interest on the Series 2013 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 2013 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 2013 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 2013 Bonds or any obligation issued to refund the Series 2013 Bonds.

10. **Miscellaneous.**

10.1 **Change in Ownership of the Series 2013 Improvements Project.** The Board intends either to own the Series 2013 Improvements Project at all times during the term of the Series 2013 Bonds, or to sell or lease portions of the Series 2013 Improvements Project, but only to other governmental units and in a manner that does not result in the inclusion of interest on the Series 2013 Bonds in the gross income of the owners thereof for federal income tax purposes. The Board does not know of any reason why the Series 2013 Improvements Project 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 2013 Bonds or the Series 2013 Improvements Project so long as any of the Series 2013 Bonds are outstanding unless, in the written opinion of Bond Counsel, such change will not result in the inclusion of interest on the Series 2013 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 Series 2013 Improvements Project 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 2013 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 2013 Bonds to be deemed private activity bonds under the Code. The Series 2013 Bonds will be considered “private activity bonds” if:

(i) more than 10% of the Proceeds of the Series 2013 Bonds is used directly or indirectly in the business of a nongovernmental person, and

(ii) more than 10% of the debt service on the Series 2013 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 2013 Bonds may be unrelated or disproportionate to the Series 2013 Improvements Project. Series 2013 Bonds will be considered “private activity bonds” if more than the lesser of 5% of proceeds of the Series 2013 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 2013 Bonds (under the terms of such Series 2013 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 2013 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 Series 2013 Improvements Project (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 2013 Bonds may be so secured. This requirement is referred to herein as the “private payment test.”

In determining whether the Series 2013 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 2013 Bonds. Debt service will include reasonable credit enhancement fees but will not include any amount to be paid from Proceeds of the Series 2013 Bonds. For example, debt service will not include accrued interest or other amounts to be paid with Proceeds of the Series 2013 Bonds. For purposes of the discount rate to be applied in such present value calculations, the Yield on the Series 2013 Bonds has been computed by the Underwriter to be ________%.

Payments taken into account in determining whether the Series 2013 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 2013 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 Series 2013 Improvements Project (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. For example, if 10% of the Proceeds of the Series 2013 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 2013 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 2013 Bonds which result in the incidental use do not exceed 2½% of the total Proceeds of the Series 2013 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 2013 Bonds are not and shall not become directly or indirectly federally guaranteed. Series 2013 Bonds will be considered to be “federally guaranteed” if (i) the payment of principal or interest with respect to such Series 2013 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 2013 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 2013 Bonds is otherwise indirectly guaranteed (in whole or in party) 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 Series 2013 Improvements Project 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 2013 Bonds. The Board acknowledges that in determining whether all or any portion or function of the Series 2013 Improvements Project is used, directly or indirectly, in the trade or business of a non-Exempt Person, use of any portion or function of the Series 2013 Improvements Project 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 Series 2013 Improvements Project or any portion or function thereof will not result in the Series 2013 Improvements Project 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.

(f) The Board shall keep records of the expenditure of Gross Proceeds of the Series 2013 Bonds on the Series 2013 Improvements Project. Such records as are maintained by the Board may, at the option of the Board be maintained by electronic filing or record keeping systems.

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 2013 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 2013 Bonds, the truth and accuracy of (a) through (n) below:

(a) Board’s employer identification number ............................................... 52-1560779

(b) Issue Price of the Series 2013 Bonds exclusive of Accrued Interest.................................................................$________

(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 .............................................$-0-

(h) Proceeds used to fund a reserve fund.........................................................$-0-

(i) Nonrefunding Proceeds..........................................................................$________

(j) Date of final maturity of the Series 2013 Bonds.................................... 11/01/20___

(l) Stated redemption price at maturity of the entire issue of the Series 2013 Bonds.................................................................$________

(m) Weighted average maturity of the Series 2013 Bonds......................... ________ years

(n) Yield on the entire issue of the Series 2013 Bonds ................................________%
10.4 Additional Tax Covenants. In order to ensure that interest on the Series 2013 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 2013 Bonds.

(b) The Board shall not sell any other tax-exempt obligations within 15 days of the sale date of the Series 2013 Bonds pursuant to the same plan of financing with the Series 2013 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 2013 Bonds.

(c) The persons charged with post issuance compliance are Mark Superka and Lisa Grefrath, as the Vice President for Finance and Administration of the Colorado Community Colleges System (the “System”) and the System Controller, respectively. See Exhibit E hereto for the Board’s written procedures dealing with remedial action procedures should private business use of the Series 2013 Improvements Project 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 2013 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 ____________________________
John Trefny
Chair

Attest:

By: ____________________________
Nancy McCallin
President of the System

Dated: July 10, 2013

[Signature Page to Series 2013 Tax Compliance Certificate]
EXHIBIT A-1
TO
TAX COMPLIANCE CERTIFICATE

CERTIFICATE OF UNDERWRITER

$________
State of Colorado, Department of Higher Education, by State Board for
Community Colleges and Occupational Education
Systemwide Revenue Bonds
(Front Range Community College-Larimer & Westminster Campus Projects)
Series 2013

The undersigned, on behalf of ________________, as underwriter (the “Underwriter”),
hereby represents: (a) as of July 10, 2013 (the “Sale Date”), the Underwriter had offered and
reasonably expected to sell all of the State of Colorado, Department of Higher Education, by
State Board for Community Colleges and Occupational Education, Systemwide Revenue Bonds
(Front Range Community College-Larimer & Westminster Campus Projects), Series 2013 (the
“Series 2013 Bonds”) to the general public (excluding bond houses, brokers, or similar persons
acting in the capacity of underwriters or wholesalers) in a bona fide public offering at the prices
set forth on the inside front cover of the final Official Statement, dated July ___, 2013, with
respect to the Series 2013 Bonds (the “Official Statement”); and (b) such offering prices do not
exceed the fair market prices for the Series 2013 Bonds as of the Sale Date.

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 2013
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.

[Signature on following page]
IN WITNESS WHEREOF, the undersigned has set their hand as of the date set forth below.

[UNDERWRITER]

By ____________________________

____________

____________

Dated: July 10, 2013

[Signature Page to Exhibit A-1 to Tax Compliance Certificate - Certificate of Underwriter]
EXHIBIT A-2
TO
TAX COMPLIANCE CERTIFICATE

CERTIFICATE OF FINANCIAL ADVISOR

State of Colorado, Department of Higher Education, by State Board for
Community Colleges and Occupational Education
Systemwide Revenue Bonds
(Front Range Community College-Larimer & Westminster Campus Projects)
Series 2013

The undersigned, on behalf of BD Advisors, LLC (the “Financial Advisor”) hereby
represents that the yield on the State of Colorado, Department of Higher Education, by State
Board for Community Colleges and Occupational Education, Systemwide Revenue Bonds (Front
Range Community College-Larimer & Westminster Campus Projects), Series 2013 (the “Series
2013 Bonds”) has been calculated to be not less than ________%.

We understand that this Certificate shall form a part of the basis for the opinion, dated
July 10, 2013, of Kutak Rock LLP, Bond Counsel, to the effect that interest on the Series 2013
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
William B. Dougherty
Sole Manager

Dated: July 10, 2013

[Signature Page to Exhibit A-2 to Tax Compliance Certificate – Certificate of Financial Advisor]
EXHIBIT B
TO
TAX COMPLIANCE CERTIFICATE

INVESTMENT INSTRUCTIONS

July 10, 2013

State Board for Community Colleges
and Occupational Education

State of Colorado, Department of Higher Education, by State Board for
Community Colleges and Occupational Education
Systemwide Revenue Bonds
(Front Range Community College-Larimer & Westminster Campus Projects)
Series 2013

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
Enterprise Bond Resolution adopted by the State Board for Community Colleges and
Occupational Education (the “Board”) on December 9, 2009, as supplemented to the date hereof
by the Fourth Supplemental Resolution adopted by the Board on June 13, 2013 (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 Bonds (Front Range Community College-Larimer &
Westminster Campus Projects), Series 2013 (the “Series 2013 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 2013 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 2013 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 2013 Bonds, the issue price of the Series 2013 Bonds is $_________ which is the offering price to the public and the Yield on the Series 2013 Bonds is not less than ________% . There is no accrued interest on the Series 2013 Bonds.

2. Debt Service Fund; Series 2013 Improvements Project Account; and Rebate Account.

(a) Moneys deposited in the Debt Service Fund (except for amounts deposited therein to fund capitalized interest on the Series 2013 Bonds) shall be used to pay principal and interest on the Series 2013 Bonds. Established to achieve proper matching of debt service the Series 2013 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 2013 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 2013 Bonds. Any investment earnings or gains therefrom may be invested at a Yield in excess of the Yield on the Series 2013 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 2013 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) Proceeds of the Series 2013 Bonds deposited in the Series 2013 Improvements Project Account for expenditure on the Series 2013 Improvements Project may be invested without regard to investment yield limitation for a period of three years from the Date of Issuance of the Series 2013 Bonds, and thereafter, may not be invested in obligations that bear a Yield in excess of one eight of one percent (.125%) above the Yield of the Series 2013 Bonds. Any interest earnings or investment gains realized from the investment of such moneys in the Series 2013 Improvements Project Account may be reinvested pending expenditure in obligations that bear a yield in excess of the Yield of the Series 2013 Bonds for a period not to exceed the longer of (a) a one year period beginning on the date of receipt of such investment income or (b) the period ending on the date which is three years from the Date of Issuance of the Series 2013 Bonds. After the period of unrestricted reinvestment of investment earnings described in this Section, such amounts may not be invested in obligations that bear a yield in excess of one eight of one percent (.125%) above the Yield of the Series 2013 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.

(c) Proceeds of the Series 2013 Bonds deposited in the Series 2013 Interest Account to fund capitalized interest on the Series 2013 Bonds may be invested without regard to investment yield restriction until the date which is three years from the Date of Issuance. After such period of unrestricted investment, such amounts may not be invested in obligations bearing a yield in excess of one eight of one percent (.125%)

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B-2
above the Bond Yield. Any interest earnings or investment gains realized from the investment of such amounts may be reinvested pending disbursement in obligations that bear a yield in excess of the Bond Yield. The period of unrestricted investment of such earnings may not exceed the longer of (a) a one year period beginning on the date of receipt of such investment income; or (b) the period ending on the date which is three years from the Date of Issuance. After the period of unrestricted reinvestment of investment earnings, such earnings may not be invested in Investments that bear a yield in excess of one eight of one percent (.125%) above the Bond Yield. 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.

(d) Proceeds of the Series 2013 Bonds deposited to the Series 2013 Expense Account shall be used to pay Costs of Issuance of the Series 2013 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 2013 Bonds are subject to the rebate requirements of Section 148(f) of the Code as described in Sections 3-6 below.

(e) Reserved.

(f) Moneys deposited to the Rebate Account that are not Gross Proceeds of the Series 2013 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 2013 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 2013 Bonds and such amounts are subject to the rebate requirements of Section 148(f) of the Code as described in Sections 3-6 below.


(a) By the end of each and every fifth Bond Year for the Series 2013 Bonds and upon the final maturity date of the Series 2013 Bonds or any earlier date of redemption of the Series 2013 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, 2018. All Gross Proceeds of the Series 2013 Bonds are subject to the rebate requirements of Section 148(f) of the Code. Certain Nonpurpose Investments of moneys separately accounted for to finance the Series 2013 Improvements Project may be eligible for Yield Reduction Payments at the times defined in the Regulations.

(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 2013 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 2013 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 2013 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 2013 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 2013 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 2013 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 2013 Bonds, any unrealized gains or losses as of the date of retirement of the Series 2013 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 2013 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 2013 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 2013 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 2013 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 2013 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 2013 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, 2018. 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 2013 Bonds or any bonds issued to refund the Series 2013 Bonds:

   (a) The Board shall record all amounts paid to the United States for the Series 2013 Bonds.

   (b) The Board shall retain records of all rebate calculations made with respect to the Series 2013 Bonds.

   (c) The Board shall retain documentation pertaining to any investment of proceeds of the Series 2013 Bonds, including the purchase and sale of securities, SLGS subscriptions and actual investment income received from the investment of proceeds and guaranteed investment contracts.

   (d) The Board shall retain records and documentation pertaining to any private business use of the Series 2013 Improvements Project.

7. **Rebate for the Series 2013 Bonds.** Within sixty (60) days of the final redemption date of each of the Series 2013 Bonds (i.e., within 60 days of Date of Issuance), 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 ________________________________
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 lessor of (i) $37,000 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 __________________________
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
TO
TAX COMPLIANCE CERTIFICATE

SERIES 2013 IMPROVEMENTS PROJECT AND
DRAW DOWN SCHEDULE FOR PROCEEDS OF THE SERIES 2013 BONDS
DEPOSITED TO THE SERIES 2013 IMPROVEMENTS PROJECT ACCOUNT
AND THE SERIES 2013 INTEREST ACCOUNT

SERIES 2013 IMPROVEMENTS PROJECT

The Series 2013 Bonds will be used to (a) construct, improve, equip, renovate, expand and upgrade various Larimer campus facilities (the “Larimer Campus Project”); (b) construct, improve, equip, renovate, expand and upgrade various Westminster campus facilities including parking lot safety improvements and student center improvements (the “Westminster Campus Project,”) and (c) any other capital improvements to the Colorado Community College System

DRAW DOWN SCHEDULE

[Insert]
EXHIBIT E
TO TAX COMPLIANCE CERTIFICATE

POST-ISSUANCE COMPLIANCE AND REMEDIAL ACTION PROCEDURES

The State Board for Community Colleges and Occupational Education (the “Board”) hereby adopts the procedures described herein (the “Procedures”) as its written procedures for post-issuance compliance and remedial action applicable to tax-advantaged bonds, notes, leases, certificates of participation or similar (collectively, “Obligations”) heretofore and hereafter issued or executed and delivered by it or on its behalf, including the Series 2013 Bonds, as defined in the Tax Compliance Certificate to which this Exhibit E is attached. These Procedures are intended to supplement any previous post-issuance compliance and remedial action procedures that may have been adopted by the Board and any procedures evidenced in writing by any tax document for any Obligations heretofore or hereafter issued, entered into or executed and delivered, the related information returns filed in connection with any Obligations and the instructions to such information returns.

1. **Responsible Person.** The Board has assigned to Mark Superka and Lisa Grefrath (the “Responsible Persons”) the responsibility for ensuring post-issuance and remedial action compliance with the requirements of any tax and financing documents for Obligations. This responsibility is included in the job description for the Responsible Persons, and such persons have or will review any prior post-issuance compliance and remedial action procedures, these Procedures, any tax documents for any Obligations heretofore or hereafter issued, entered into or executed and delivered, the related information returns, if any, filed in connection with any Obligations (such as IRS Forms 8038 or 8038-G) and the instructions to such information returns, and consult with bond counsel and other professionals as needed.

2. **Succession Planning.** The Board will ensure that, when the current Responsible Persons leave such person’s current position at the Board, the responsibility for financing and tax covenant compliance will be explained in detail to his or her successor, such successor will be provided compliance training.

3. **Procedures for Timely Expenditure of Proceeds.** The Board understands that at least 85% of the net sale proceeds of new money Obligations must be spent to carry out the projects financed with the proceeds of the Obligations within three years of the date such Obligations are originally issued, entered into or executed and delivered. The Board will treat as “sale proceeds” any amounts actually or constructively received by the Board from issuance or execution and delivery of the Obligations, including amounts used to pay accrued interest other than pre-issuance accrued interest. “Net sale proceeds” means the sale proceeds less any amounts deposited into reasonably required reserve or replacement or base rental reserve funds. The Board has established or will establish reasonable accounting procedures for tracking and reporting to the Responsible Persons the expenditure of net sale proceeds.

4. **Compliance with Arbitrage Yield Restriction and Rebate Requirement.** The Responsible Persons will create a system to ensure that, not less than six months prior to each five-year anniversary of the closing date for Obligations, the Board will retain an arbitrage rebate consultant to prepare a report determining the yield of the Obligations under the Internal
Revenue Code of 1986, as amended (the “Code”), and whether there is any amount owed to the Internal Revenue Service under Section 148 of the Code.

5. **Procedures to Comply with Remediation Requirements.** The Responsible Persons will establish and maintain a system for tracking and monitoring the use of the facilities financed or refinanced with the proceeds of Obligations to ensure that the use of all of such facilities will not violate the private business tests or the private loan financing test under Section 141 of the Code. If, after the issuance or execution and delivery of Obligations, the use of the facilities financed or refinanced with the proceeds of Obligations changes so that the private business tests or the private loan financing test would be met, or if another violation of these procedures occurs which requires correction, the Board will, in connection with consulting bond counsel, undertake a closing agreement through the Voluntary Closing Agreement Program of the Internal Revenue Service or take one of the actions permitted by the Code and associated regulations, which are described generally on Attachment I hereto.

6. **Ongoing Procedures.** The Responsible Persons will review any prior procedures, these Procedures, tax and financing documents relating to Obligations, information returns for obligations and related instructions to such information returns, and the status and use of the obligation-financed or refinanced facilities on at least an annual basis and at the following intervals: (a) six months prior to each five-year anniversary of the issue or execution and delivery date of the Obligations; (b) within 30 days of the date the Obligations are finally retired, defeased, refunded or terminated; (c) when any rebate payment is made; (d) when a facility financed or refinanced with proceeds of Obligations is placed in service; (e) if the Board determines that a facility planned to be financed or refinanced with proceeds of Obligations will not be completed; and (f) if any of the representations, statements, circumstances or expectations of the Board that are set forth in the tax or financing documents for Obligations are no longer true, have changed or have not come to pass as described in such documents. This review will be made for the purposes of identifying any possible violation of federal tax requirements related to Obligations and to ensure the timely correction of those violations pursuant to the remedial action provisions outlined above or through the Voluntary Closing Agreement Program. If any possible violation is identified, the Responsible Persons will notify the Board and the Board’s counsel so that any existing or expected violation can be corrected.

7. **Recordkeeping.** The Responsible Persons will develop and implement a system for maintaining records relating to these Procedures. Such records must be kept and maintained for the life of the related Obligations, and any Obligations that refund or refinance such obligations, plus at least four years (or such longer period as may be required in related tax documents for such obligations). These records may be maintained on paper, by electronic media or by any combination thereof.
Acknowledged this July 10, 2013.

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

By ____________________________
   John Trefny
   Chair

Attest:

By: ____________________________
   Nancy McCallin
   President of the System
ATTACHMENT I

REMEDIAL ACTION PROCEDURES

Capitalized terms used herein but not defined have the meaning assigned thereto in Section 5 below and in the Post-Issuance Compliance and Remedial Action Procedures to which these Remedial Action Procedures are attached. This attachment describes written procedures that may be required to be taken by, or on behalf of, an issuer of Obligations.

1. **Background.** The maintenance of the tax status of the Obligations or interest components paid with respect to such Obligations (e.g., as tax-exempt obligations under federal tax law) depends upon the compliance with the requirements set forth in the Internal Revenue Code of 1986, as amended (the “Code”). *The purpose of this attachment is to set forth written procedures to be used in the event that any deliberate actions are taken that are not in compliance with the tax requirements of the Code (each, a “Deliberate Action”) with respect to the Obligations, the proceeds thereof or the facilities financed or refinanced by the Obligations (the “Facilities”).*

2. **Consultation with Bond Counsel.** If Deliberate Action is taken with respect to the Obligations and the Facilities subsequent to the issuance or execution and delivery of the Obligations, then the Board (and, if applicable, the conduit borrower) must consult with Kutak Rock LLP or other 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 Obligations. Note that remedial actions or corrective actions other than those described in this attachment may be available with respect to the Obligations and the Facilities, including remedial actions or corrective actions that may be permitted by the Commissioner through the voluntary closing agreement programs (VCAP) provided by the Internal Revenue Service from time to time.

3. **Conditions to Availability of Remedial Actions.** None of the Remedial Actions described in this attachment are available to remediate the effect of any Deliberate Action with respect to the Obligations and the Facilities unless the following conditions have been satisfied and unless Bond Counsel advises otherwise:

   (a) The Board reasonably expected on the date the Obligations were originally issued or executed and delivered that the Obligations would meet neither the Private Business Tests nor the Private Loan Financing Test of Section 141 of the Code and the Treasury Regulations thereunder for the entire term of the Obligations;

   (b) The average weighted maturity of the Obligations did not, as of such date, exceed 120% of the average economic life of the Facilities;

   (c) Unless otherwise excepted under the Treasury Regulations, the Board (or, if applicable, a conduit borrower) delivers 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 non-exempt person using either the Facilities or the proceeds of the Obligations as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

(d) Any disposition must be made at fair market value and any Disposition Proceeds actually or constructively received by the Board (or, if applicable, by a conduit borrower) as a result of the Deliberate Action must be treated as gross proceeds of the Obligations and may not be invested in obligations bearing a yield in excess of the yield on the Obligations subsequent to the date of the Deliberate Action; and

(e) Proceeds of the Obligations affected by the Remedial Action must have been allocated to expenditures for the Facilities or other allowable governmental purposes before the date on which the Deliberate Action occurs (except to the extent that redemption or defeasance, if permitted, is undertaken, as further described in Section 4(A) below).

4. Types of Remedial Action. Subject to the conditions described above, and only if the Board (or, if applicable, a conduit borrower) obtains an opinion of Bond Counsel prior to taking any of the actions below to the effect that such actions will not affect the federal tax status of the Obligations, the following types of Remedial Actions may be available to remediate a Deliberate Action subsequent to the issuance of the Obligations:

(a) Redemption or Defeasance of Obligations.

(i) If the Deliberate Action 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 Facilities exclusively for cash, then the Board may allocate the Disposition Proceeds to the redemption of Nonqualified Obligations pro rata across all of the then-outstanding maturities of the Obligations at the earliest call date of such maturities of the Obligations after the taking of the Deliberate Action. If any of the maturities of the Obligations outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, the Board may (subject generally to the limitations described in (iii) below) allocate the Disposition Proceeds to the establishment of a Defeasance Escrow for any such maturities of the Obligations within 90 days of the taking of such Deliberate Action.

(ii) If the Deliberate Action consists of a fair market value disposition of any portion of the Facilities for other than exclusively cash, then the Board (or, if applicable, a conduit borrower) may use any funds (other than proceeds of the Obligations, any build America bonds described in Section 54AA(d)(1) of the Code, 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 registered owners thereof for federal income tax purposes) for the redemption of all Nonqualified Obligations within 90 days of the date of the Deliberate Action was taken. In the event that insufficient maturities of the Obligations are callable by the date which is within 90 days after the date of the Deliberate Action, then such funds may be used 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 Obligations not callable within 90 days of the date of the Deliberate Action.

(iii) If a Defeasance Escrow is established for any maturities of Nonqualified Obligations that are not callable within 90 days of the date of the Deliberate Action, written notice must be provided 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. Note that the ability to create a Defeasance Escrow applies only if the Obligations to be defeased and redeemed all mature or are callable within ten and one-half (10.5) years of the date the Obligations are originally issued or executed and delivered. If the Obligations are not callable within ten and one-half years, and none of the other remedial actions described below are applicable, the remainder of this attachment is for general information only, and Bond Counsel must be contacted to discuss other available options.

(b) Alternative Use of Disposition Proceeds. Use of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Obligations:

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

(ii) the Board (or, if applicable, a conduit borrower) reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;

(iii) the Disposition Proceeds are treated as Proceeds of the Obligations 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 would not cause the Disposition Proceeds to satisfy the Private Activity Bond Tests;

(iv) no action is taken after the date of the Deliberate Action to cause the Private Activity Bond Tests to be satisfied with respect to the Obligations, the Facilities or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Treasury Regulations);

(v) 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 Obligations in accordance with the requirements set forth in Section 4(a) hereof; and

(vi) in the event that Disposition Proceeds are to be used by any organization described in Section 501(c)(3) of the Code, the Nonqualified Obligations must be treated as reissued for certain purposes of the Code (for
instance, a new TEFRA approval may need to be received). The Board should consult with Bond Counsel as to any additional requirements that may be applicable in this case.

(c) Alternative Use of Facilities. The Board (and, if applicable, a conduit borrower) may be considered to have taken sufficient Remedial Actions to cause the Obligations to continue their applicable treatment under federal tax law if, subsequent to taking any Deliberate Action with respect to all or any portion of the Facilities:

(i) the portion of the Facilities subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt obligations;

(ii) the disposition of the portion of the Facilities subject to the Deliberate Action is not financed by a person acquiring the Facilities with proceeds of any obligation the interest on which is exempt from the gross income of the registered owners 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

(iii) 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 Obligations 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 yield on the Obligations to pay debt service on the Obligations on the next available payment date;

Absent an opinion of Bond Counsel, no Remedial Actions are available to remediate the satisfaction of the Private Security or Payment Test regarding the same with respect to the Obligations. Nothing herein is intended to prohibit Remedial Actions not described herein that may become available subsequent to the date the Obligations are originally issued or executed and delivered to remediate the effect of a Deliberate Action taken with respect to the Obligations, the proceeds thereof or the Facilities.

5. Additional Defined Terms. For purposes of this attachment, the following terms 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 Board (or, if applicable, by a conduit borrower) that is within the control of the Board (or, if applicable, by such conduit borrower) which causes either (1) the Private Business Use Test to be satisfied with respect to the Obligations or the Facilities (without regard to the Private Security or Payment Test), or (2) the Private Loan Financing Test to be satisfied with respect to the Obligations 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 Obligations.

“Nonqualified Obligations” means that portion of the Obligations outstanding at the time of a Deliberate Action in an amount that, if the outstanding Obligations were issued or executed and delivered on the date on which the Deliberate Action occurs, the outstanding Obligations 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 and the Private Loan Financing Test.

“Private Business Tests” means the Private Business Use Test and the Private Security or Payment 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.

“Private Security or Payment Test” has the meaning set forth in Section 141(b)(2) of the Code.

“Remedial Action” means any of the applicable actions described in Section 4 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 Board with certain provisions of Section 141 of the Code and the Regulations thereunder and are undertaken by the Board to maintain the federal tax status of the Obligations.

6. Change in Law. This attachment is based on law in effect as of this date. Statutory or regulatory changes, including but not limited to clarifying Treasury Regulations, may affect the matters set forth in this attachment.
CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by the State Board for Community Colleges and Occupational Education (the “Board”) in connection with the issuance of the State of Colorado, Department of Higher Education, By State Board for Community Colleges and Occupational Education Systemwide Revenue Bonds (Front Range Community College—Larimer & Westminster Campus Projects), Series 2013 (the “Series 2013 Bonds”). The Series 2013 Bonds are being issued pursuant to a Master Resolution adopted by the Board on December 9, 2009 and a Fourth Supplemental Resolution adopted by the Board on June 12, 2013 (collectively, the “Bond Resolution”).

In consideration of the issuance of the Series 2013 Bonds by the Board and the purchase of such Series 2013 Bonds by the owners thereof, the Board hereby covenants and agrees as follows:

Section 1. Purpose of this Disclosure Undertaking. This Disclosure Undertaking is executed and delivered by the Board as of the date set forth below, for the benefit of the holders and owners (the “Bondholders”) of the Series 2013 Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below). The Board represents that it will be the only obligated person (as defined in the Rule) with respect to the Series 2013 Bonds at the time the Series 2013 Bonds are delivered to the Participating Underwriter and that no other person is expected to become an obligated person at any time after the issuance of the Series 2013 Bonds.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Disclosure Undertaking, unless the context clearly otherwise requires.

“Annual Financial Information” means the financial information and operating data described in Exhibit I.


“Audited Financial Statements” means the audited consolidated financial statements of the Board, prepared pursuant to the standards and as described in Exhibit I.

“Commission” means the Securities and Exchange Commission.

“Disclosure Undertaking” means the obligations of the Board pursuant to Sections 4 and 5.

“Dissemination Agent” means any agent designated as such in writing by the Board and which has filed with the Board a written acceptance of such designation, and such agent’s successors and assigns.

“EMMA” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“Material Event” means the occurrence of any of the events with respect to the Series 2013 Bonds set forth in Exhibit II.

“Material Events Disclosure” means dissemination of a notice of a Material Event as set forth in Section 6.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriter” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series 2013 Bonds.

“Prescribed Form” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“Rule” means Rule 15c2 12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“State” means the State of Colorado.

Section 3. CUSIP Number/Final Official Statement. The base CUSIP Number of the Series 2013 Bonds is __________. The final Official Statement relating to the Series 2013 Bonds is dated July ___, 2013 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Disclosure Undertaking, the Board hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by the Board’s delivery of such Annual Financial Information and Audited Financial Statements to the MSRB within 270 days of the completion of the Board’s fiscal year.

The Board is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Board will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Disclosure Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.
Section 5. Material Events Disclosure. Subject to Section 9 of this Disclosure Undertaking, the Board hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2013 Bonds or defeasance of any Series 2013 Bonds need not be given under this Disclosure Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2013 Bonds pursuant to the Indenture. From and after the Effective Date, the Board is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Disclosure Undertaking.

Section 6. Duty To Update EMMA/MSRB. The Board shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB’s e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the Board to Provide Information. The Board shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Board to comply with any provision of this Disclosure Undertaking, the Bondholder of any Bond may seek specific performance by court order to cause the Board to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Indenture or the Loan Disclosure Undertaking or any other Disclosure Undertaking, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Board to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Board may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board or type of business conducted;

(ii) This Disclosure Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Series 2013 Bonds, as determined either by parties unaffiliated with the Board or by an approving vote of the Bondholders of the Series 2013 Bonds holding a majority of the aggregate principal amount of the Series 2013 Bonds (excluding Series 2013 Bonds held by or on behalf of the Board or its affiliates) pursuant to the terms of the Indenture at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.
Section 9. Termination of Disclosure Undertaking. The Disclosure Undertaking of the Board shall be terminated hereunder when the Board shall no longer have any legal liability for any obligation on or relating to the repayment of the Series 2013 Bonds. The Board shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Undertaking. If the Board chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Undertaking, the Board shall not have any obligation under this Disclosure Undertaking to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Disclosure Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Disclosure Undertaking shall inure solely to the benefit of the Board, the Dissemination Agent, if any, and the Bondholders of the Series 2013 Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The Board shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Past Compliance. The Board represents that it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 15. Assignment. The Board shall not transfer its obligations under the Bond Resolution unless the transferee agrees to assume all obligations of the Board under this Disclosure Undertaking or to execute a continuing disclosure undertaking under the Rule.

Section 16. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State.
Dated:  July 10, 2013

[SEAL]

STATE BOARD FOR COMMUNITY COLLEGES
AND OCCUPATIONAL EDUCATION

By

John Trefny
Chair

Attest:

By

Nancy McCallin
Secretary

[Signature Page to Continuing Disclosure Undertaking]