

APPENDIX G

Public School Capital Construction Assistance Fund Introduction

Pursuant to House Bill 08-1335 and Senate Bill 09-257 (codified in part by Article 43.7 of Title 22, Colorado Revised Statutes, as amended) (the “**Act**”), the Colorado General Assembly has created the Public School Capital Construction Assistance Board (the “**Assistance Board**”) and the Public School Capital Construction Assistance Fund (the “**Assistance Fund**”). In accordance with the Act, the Assistance Fund is funded from revenues received by the State of Colorado (the “**State**”) from (i) a portion of rental income and royalties derived from State public school lands, (ii) a portion of State lottery proceeds, (iii) amounts paid by certain K-12 public schools (“**Participating K-12 Institutions**”) for which capital projects are financed through the State’s Building Excellent Schools Today Program (the “**Program**”), (iv) excise tax revenue from marijuana sales, and (v) State appropriations described in the following paragraph.

Under the Act, the State Treasurer may enter into lease-purchase agreements (the “**Leases**”) for which the State may decide annually to appropriate rent from the Assistance Fund. The General Assembly is also authorized to appropriate or transfer moneys to the Assistance Fund from any legally available source, including the State General Fund, if the amount in the Assistance Fund is insufficient to pay the full amount of the payments due to be made under the Leases. See **Appendix E** – “THE STATE GENERAL FUND.”

The decision of the State to appropriate funds to pay its obligations under the Leases or make up any shortfall in the Assistance Fund may be impacted by the amount and stability of revenues allocated to the Assistance Fund under the Act. Amounts deposited in the Assistance Fund are also available for other purposes permitted by the Act, including, without limitation, defraying the cost of Projects. As of June 30, 2016, the Assistance Fund had cash on deposit of \$348,680,492. In 2013, the Act was amended to require that the Assistance Board shall ensure that effective June 30, 2013 and each June 30 thereafter, the balance of the Assistance Fund is at least equal to the total amount of payments to be made by the State during the next fiscal year under the terms of any lease purchase agreement entered into pursuant to the Act less the amount of any Matching Moneys (as described below under “**Matching Moneys**”) and federal moneys (such as the Federal Direct Payments) to be received for the purpose of making the payments. The revenue sources for the Assistance Fund are further described below.

Pursuant to the Act, the State auditor conducted a performance audit of the Program, the results of which were released on October 8, 2013. Specifically, the auditor examined whether the Program complies with State statutes and ensures the most equitable, efficient and effective use of funds available to provide grants to Colorado school districts for capital construction. The auditor made several recommendations in the performance audit, including improvement of procedures relating to identifying and processing critical school capital construction needs and making grant decisions. The Board agreed with all of the recommendations made by the auditor and has adopted and commenced a plan implementing such recommendations. A copy of the “Public School Capital Construction Assistance Program, Performance Audit, September 2013, Department of Education” can be found on the website of the Office of the State Auditor at www.leg.state.co.us.

Rental Income and Royalties

The Territory of Colorado was established in 1861 pursuant to an enabling act (the “**Enabling Act**”). In the Enabling Act, the federal government declared that certain land previously owned by the federal government was to be granted in trust to the State for the support of the State’s public schools (the

“Public School Lands”). On the date it was admitted to the United States, the State held roughly 3.7 million acres of Public School Lands. As of June 2015, the Colorado State Land Board of Commissioners (the **“State Land Board”**) reported that the State held approximately 2.8 million surface acres and approximately 4.0 million mineral acres in trust as Public School Lands.

The Act provides that the following moneys are to be deposited in the Assistance Fund: the greater of (i) 50% of the gross amount of “Public School Lands Income” received during a fiscal year or (ii) an amount of such income equal to the difference between the total amount of lease payments to be made by the State under the terms of the Leases and the total amount of Matching Moneys to be paid to the State by the Participating K-12 Institutions. Public School Lands Income is defined under the Act to include: (i) the sale of timber on Public School Lands, and rentals or lease payments for the use and occupation of Public School Lands, and rentals or lease payments for sand, gravel, clay, stone, coal, oil, gas, geothermal resources, gold, silver, or other minerals on Public School Lands (the **“Rental Income”**); and (ii) royalties and other payments for the extraction of any natural resource on Public School Lands (the **“Royalties”**). Proceeds from the sale of Public School Lands are not part of Public School Lands Income, but such proceeds may be used by the State to purchase additional income-producing Public School Lands.

The following table shows the Rental Income and Royalties generated in each of the last four full fiscal years.

Rental Income and Royalties⁽¹⁾

	Fiscal Year 2012-2013	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016
Rental Income ⁽²⁾⁽³⁾	\$ 20,679,602	\$ 20,581,503	\$25,869,879	\$30,333,850
Royalties ⁽²⁾	<u>102,647,934</u>	<u>151,253,876</u>	<u>163,634,733</u>	<u>105,830,542</u>
Total ⁽⁴⁾	\$123,327,536	\$171,835,379	\$189,504,612	\$136,164,392

(1) Unaudited.

(2) Includes interest earned on these revenues before they are distributed.

(3) Also includes timber sales.

(4) See the table under “Assistance Fund Details” in this Appendix which reflects the roughly 50% of Public School Lands Income transferred to the Assistance Fund in fiscal years 2012-13, 2013-14, 2014-15, and 2015-16. The variance for the entries in that table for “Rent and Royalties from State Land Board” and 50% of the total amounts shown above is due to the State Land Board reporting on the full accrual basis of accounting and the Colorado Department of Education reporting the revenue in the Assistance Fund on the modified accrual basis of accounting.

Source: State Land Board.

Revenues from Rental Income and Royalties are primarily derived from non-renewable resources. In addition to the prices of such resources, the sustainability and consistency of such revenues annually is dependent upon the management of such resources by the State Land Board, including adequate diversification of properties and the timely reinvestment of Public School Lands Income in additional income-producing property.

Over the past five years, the State Land Board experienced unprecedented annual revenue growth. The increase was almost entirely due to the shale oil (Niobrara) boom. The State Land Board experienced historically high oil and gas lease auction bonuses, over 20% increases in oil and gas production on state trust land, and high Colorado oil and gas prices (\$100 barrel oil and \$4 mcf natural gas).

The price of oil in Colorado is currently below \$20, natural gas is around \$2 mcf, and oil and gas production is rapidly declining due to lack of new drilling (production from horizontal wells decline by around 80% in the first year). Consequently, over the next couple years, the State Land Board expects that oil and gas lease bonus revenues will decrease from \$55 million to \$4.5 million, oil royalty revenues will decline from \$80 million to \$16 million and gas royalty revenues will decline from \$25 million to \$14 million.

The State Land Board's School Trust revenues are projected to decrease to \$64 million by FY 2017-18 despite increases in non-oil and gas School Trust revenues (Surface, Commercial, and Other).

Various Colorado laws, including the Act, apply to the priority and allocation of rental income and royalties derived from State school lands, allocation of State lottery proceeds, availability of funds for appropriation by the State, and other operations of the State. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions and regulations which would have a material effect, directly or indirectly, on the affairs of the State and such funds.

State Lottery Proceeds

Article XXVII of the State Constitution (the “**Lottery Amendment**”) created the Great Outdoors Colorado Program which allocates the “Net Proceeds” of State-supervised lottery games to various purposes. Net Proceeds are defined as all proceeds from all programs including Lotto and every other State-supervised lottery game operated under the authority of the Lottery Amendment less the cost of prizes and expenses of the State Lottery Division and other operational expenses of the State lottery. Section 3(1)(b)(III) of the Lottery Amendment requires that in every quarter of the State's fiscal year, 50% of the Net Proceeds exceeding \$53.1 million for fiscal year 2007-2008 (or such amount as adjusted each year for changes from the 1992 Consumer Price Index-Denver) is to be allocated to the State's General Fund. Effective May 22, 2008, the Act provides that all moneys that would otherwise be transferred to the State's General Fund pursuant to Section 3(1)(b)(III) of the Lottery Amendment (the “**BEST Lottery Share**”) are to be deposited in the Assistance Fund.

The BEST Lottery Share deposits to the Assistance Fund in each of the last four full fiscal years are provided in the table below. The cost of randomly-awarded prizes and the operational expenses of the lottery vary significantly from year to year, so the amount of Net Proceeds available for BEST Lottery Share deposits has been and may remain volatile. There is no certainty that the BEST Lottery Share will exceed or meet current levels. See “Assistance Fund Details” herein.

BEST Lottery Share⁽¹⁾⁽²⁾

	Fiscal Year 2011-2012	Fiscal Year 2012-2013	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2015-2016
BEST Lottery Share	\$4,559,159	\$8,644,124	\$4,735,342	\$1,997,456	\$8,070,499

(1) Unaudited.

(2) Amounts reflected above were generated in the prior fiscal years, received in the fiscal year as shown and deposited in the Assistance Fund. See the table under “Assistance Fund Details” in this Appendix.

Source: Colorado Department of Education.

Marijuana Excise Tax Revenues

On November 6, 2012, Colorado voters approved an initiated State constitutional measure known as Amendment 64 which provides for the legalization of marijuana use for persons twenty-one years of age or older and the taxation and regulation of marijuana in a manner similar to alcohol. Amendment 64 directs the Colorado General Assembly to enact an excise tax upon certain marijuana transactions prior to January 1, 2017 at a rate to be determined by the General Assembly, but not to exceed 15%. Amendment 64 requires the first \$40 million in revenues received annually from this excise tax be credited to the Assistance Fund. Proposition AA, a legislatively referred State statute approved by the Colorado electorate on November 5, 2013 imposes an excise tax of 15% on the first sale or transfer of retail marijuana by a medical marijuana cultivation facility. The excise tax becomes effective on January 1, 2014 and can be subsequently established at a rate lower than 15% by the State General Assembly and the Governor. Projections for marijuana excise tax revenues to the Assistance Fund for the mid to long-term are not available because (1) marijuana use in Colorado remains illegal under federal law, (2) regulations on marijuana use under Amendment 64 will continue to be developed at the State and local level, and (3) there is little historical data on the transactions subject to this excise tax. For fiscal year 2015-16, marijuana excise tax revenues to the Assistance Fund are projected to be \$36.6 million.

Marijuana Excise Tax Revenues⁽¹⁾

	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Fiscal Year 2016-2017
Marijuana Excise Tax	\$3,012,860	\$23,949,565	\$40,000,000

(1) Unaudited.

Source: Colorado Department of Education.

Additional Marijuana Revenues - Fiscal Year 2015-16

An additional \$40 million was transferred to the Assistance Fund in fiscal year 2015-16 related to Proposition BB. The passage of Proposition BB by the voters in November 2015 allowed the State to retain tax revenues on retail marijuana sales that would otherwise be subject to refund under the Taxpayer Bill of Rights (TABOR). Proposition BB specifically authorized \$40 million of the retained tax revenues to be allocated to the Assistance Fund.

Matching Moneys

The Act defines “**Matching Moneys**” as moneys required to be paid to the State or used directly to pay a portion of the costs of a public school capital construction project by a Participating K-12 Institution as a condition of an award of financial assistance to the Participating K-12 Institution under the Program. The Assistance Board determines which percentage, if any, of the total financing for the Participating K-12 Institution’s project will constitute the required Matching Moneys for such Participating K-12 Institution. Such percentage varies depending on the Participating K-12 Institution. The obligations of Participating K-12 Institutions to pay Matching Moneys to the State may be evidenced by (a) cash delivered at the time the Certificates were delivered, (b) an obligation to pay Base Rent under the applicable Sublease subject to annual appropriation by the applicable Participating K-12 Institution, (c) bonds issued by the Participating K-12 Institutions and delivered to the State (the “**Matching Moneys**”).

Bonds”), (d) an obligation to pay cash installments under the applicable Sublease or Participation Agreement, subject to annual appropriation by the applicable Participating K-12 Institution (the “**Matching Moneys Installment Payments**”) or (e) other types of obligations permitted by the Act and approved by the Assistance Board. At or prior to the execution and delivery of the Series 2013I Certificates, no Matching Moneys related to the Series 2013I Certificates will be credited to the Assistance Fund in the form of cash. Additional Matching Moneys obligations relating to the Series 2013I Certificates are payable to the Assistance Fund in the future as Matching Moneys Bonds in the principal amount of \$30,569,324, plus an estimated \$15,415,550 in interest. See “PLAN OF FINANCING – The Series 2013I Projects and Series 2013I Participating K-12 Institutions.” Under the Subleases, if the Costs of a Sublessee’s project are less than the amount of the moneys that may be withdrawn from the Sublessee’s Project Account and the Assistance Fund (a “**cost savings**”), a portion of such cost savings, as determined by the State Treasurer, may, upon the consent of the Assistance Board, be shared with the Sublessee through the return of a portion of any cash payment of Matching Moneys or forgiveness of a portion of the Base Rent that would otherwise be payable under the respective Sublease, principal, premium, if any, and interest that would otherwise be due on the Sublessee’s Matching Moneys Bond or Matching Moneys Installment Payments that would otherwise be payable under the respective Sublease, as applicable.

At June 30, 2016, an aggregate principal amount of \$193,174,568 in Matching Moneys Bonds relating to all Certificates is outstanding. The related Participating K-12 Institutions have obtained voter approval for such Matching Moneys Bonds, so the payment of the related Matching Moneys will not be subject to annual appropriation by the Participating K-12 Institutions. Each of the Matching Moneys Bonds will constitute general obligations of the related Participating K-12 Institution and all of the taxable property within the boundaries of the Participating K-12 Institution will be subject to the levy of an ad valorem tax to pay the principal of, premium, if any, and interest on the related Matching Moneys Bonds without limitation as to rate and in an amount sufficient to pay the Matching Moneys Bonds when due. Based upon the opinion of bond counsel for the relevant Series 2013I Participating K-12 Institutions, the Matching Moneys Bonds may bear a supplemental coupon as part of fully funding the related Matching Money requirement if permissible under the ballot approved by voters.

Unless a Participating K-12 Institution that has Matching Moneys Bonds constituting general obligation bonds opts not to participate, Section 22-41-110, C.R.S. (the “**Bond Payment Act**”) is applicable. Each of the Participating K-12 Institutions that has Matching Moneys Bonds constituting general obligation bonds has notified the State of its participation under the Bond Payment Act.

Under the Bond Payment Act, if the paying agent with respect to a particular Matching Moneys Bond has not received a payment on the Matching Moneys Bond on the business day immediately prior to the date on which such payment is due, the paying agent is required to notify the State Treasurer and the Participating K-12 Institution that issued the Matching Moneys Bond. The State Treasurer is then required to contact the Participating K-12 Institution to determine whether the Participating K-12 Institution will make the payment by the date on which it is due. If the Participating K-12 Institution indicates to the State Treasurer that it will not make the payment on the Matching Moneys Bond by the date on which it is due, the State Treasurer is required to forward to the paying agent, in immediately available funds from any legally available funds of the State, the amount necessary to make the payment of the principal of and interest on the Matching Moneys Bond.

If the State Treasurer makes a payment on a Matching Moneys Bond under the Bond Payment Act, he or she is required to withhold such amount from the next succeeding payment to that school district of the State’s share of the school district’s required funding under Colorado’s Public School Finance Act of 1994 and from property tax and specific ownership revenues collected by the county treasurer on behalf of the district (except property taxes levied for the payment of bonds) on each

occasion on which the State Treasurer makes a payment on a bond on behalf of a district. While the withholding of such funding and property and specific ownership tax payments by the State is limited to 12 monthly payments, the Bond Payment Act does not correspondingly limit the State's contingent obligation to pay the Matching Moneys Bonds.

If the State Treasurer is required to make a payment on a Matching Moneys Bond, the State Department of Education is required to initiate an audit of the school district to determine the reason for the nonpayment of the Matching Moneys Bond and to assist the school district, if necessary, in developing and implementing measures to assure that future payments will be made when due.

The State has covenanted that it will not repeal, revoke, rescind, modify or amend the Bond Payment Act so as to limit or impair the rights and remedies granted under the Bond Payment Act. The Bond Payment Act provides, however, that it shall not be deemed or construed to require the State to continue the payment of State assistance to any school district or to limit or prohibit the State from repealing, amending, or modifying any law relating to the amount of State assistance to school districts or the manner of payment or the timing thereof. The Bond Payment Act further provides that it shall not be deemed or construed to create a debt of the State with respect to any Matching Moneys Bond within the meaning of any State Constitutional provision or to create any liability except as specifically provided in the Bond Payment Act.

The Act provides that the maximum total of annual lease payments payable by the State under the Leases during any fiscal year under the terms of all outstanding Leases is (i) \$20 million for the 2008-2009 fiscal year, (ii) \$40 million for the 2009-2010 fiscal year, (iii) \$60 million for the 2010-2011 fiscal year and (iv) \$80 million for the 2011-2012 fiscal year and for each fiscal year thereafter. The State Treasurer may enter into Leases for which the aggregate annual lease payments of principal or interest for any fiscal year exceed one-half of the maximum total amount of annual lease payments provided in the preceding sentence only if the aggregate amount of Matching Moneys expected to be credited to the Assistance Fund and any interest or income derived from the deposit and investment of the Matching Moneys is at least equal to the annual lease payments of principal and interest payable by the State during any fiscal year that exceed one-half of said maximum total amount. Aggregate rent under the Prior Certificates and Series 2013I Certificates is not expected to reach 50% of the maximum amount stated above.

Matching Moneys and other amounts deposited in the Assistance Fund do not directly secure payment of the Series 2013I Certificates. Once Matching Moneys payable in installments are deposited in the Assistance Fund, such amounts, together with other amounts on deposit therein, are available to be appropriated by the State to pay the Series 2013I Certificates or for other purposes, including defraying the cost of Projects.

Amounts in the Assistance Fund are used for a variety of purposes including emergency grants, grants, operating expenses and other uses permitted by the Act.

Assistance Fund Details

For fiscal years 2011-12, 2012-13, 2013-14 and 2014-15, the following table shows unaudited financial information relating to the Assistance Fund as of each June 30th:

Assistance Fund Details⁽¹⁾

	<u>As of June 30, 2013</u>	<u>As of June 30, 2014</u>	<u>As of June 30, 2015</u>	<u>As of June 30, 2016</u>
Assets ⁽²⁾	\$181,873,307	\$211,715,915	\$273,726,751	\$367,185,353
Liabilities ⁽³⁾	28,890,437	35,004,455	29,676,042	12,499,932
Fund Balance	152,982,870	176,711,460	244,050,709	354,685,421
Restrictions and Encumbrances ⁽⁴⁾	(113,974,260)	(105,026,016)	(75,357,636)	(96,722,176)
Available Fund Balance ⁽⁵⁾	39,008,610	71,685,444	168,693,073	257,963,245
	<u>Fiscal Year 2012-2013</u>	<u>Fiscal Year 2013-2014</u>	<u>Fiscal Year 2014-2015</u>	<u>Fiscal Year 2015-2016</u>
Revenue:				
Transfers In for Grants and Construction Payments ⁽⁶⁾	\$167,118,207	\$161,449,985	\$174,722,392	\$70,299,333
Rents and Royalties from State Land Board	61,662,736	85,914,869	92,505,484	65,802,073
Lottery	8,644,124	4,735,342	1,997,456	8,070,499
Marijuana Excise Tax	-	3,012,860	23,949,565	40,000,000
Marijuana Sales Tax (Proposition BB)				40,000,000
Matching Moneys	10,313,129	14,869,683	16,790,544	16,394,960
Interest	1,661,848	1,714,872	2,032,658	2,646,015
Expenditures:				
Grants	21,352,147	26,505,999	29,149,157	23,034,064
Construction Payments ⁽⁶⁾	167,172,154	172,741,463	160,252,638	53,441,158
Base Rent Payments	34,268,889	47,886,054	54,484,817	54,418,487
Administration and Other	860,833	835,505	772,238	1,684,461
Change in Fund Balance	\$25,746,021	\$23,728,590	\$67,339,249	\$110,634,710

(1) This presentation is unaudited because the Assistance Fund is not statutorily authorized to publish audited financial statements. It has been prepared from the Assistance Fund's accounting records which are subject to audit as part of the State's Comprehensive Annual Financial Report audit.

(2) Primarily reflects cash and year-end accrued receivables. No portion of the Certificate proceeds are reported in this balance.

(3) Primarily reflects matching moneys on deposit from Participating K-12 Institutions and year-end accrued construction payments payable. Does not include Base Rent payments on the Certificates.

(4) Primarily reflects payment obligations for approved project costs that are not financed with proceeds of the Certificates.

(5) This available fund balance includes designations of cash on hand. The designation of cash on hand consists of statutory requirements for BEST emergency funds, debt obligation payments, direct deposits held, and anticipated cash distributions for the following fiscal year.

(6) Includes Trustee payments directly to construction contractors from Certificate proceeds. The Certificate-related portion of these line items are equal and offsetting and have no effect on the Available Fund Balance of the Assistance Fund. The amounts are required to be recorded in the State's official book of record by the Assistance Fund in order to support the recording of capital assets subleased by the State Treasurer to Participating K-12 Institutions. Those capital assets collateralized the State's liability recorded pursuant to entering into the Leases with the Trustee.

Source: Colorado Department of Education.

State Appropriation or Transfer from Legally Available Sources

If the amount of moneys in the Assistance Fund that is available to pay lease payments under the Leases will be insufficient to cover the full amount of the lease payments required by the Leases, the Act provides that the General Assembly may appropriate or transfer from any legally available source to the Assistance Fund sufficient moneys to make the lease payments. **However, the General Assembly is not obligated to appropriate or transfer moneys for such purpose and the decision whether or not to appropriate any such amount for such purpose will be in the General Assembly's sole discretion.** See **Appendix E** hereto.

Future Changes in Laws

Various Colorado laws, including the Act, apply to the priority and allocation of Public School Lands Income, availability of funds for appropriation by the State and other operations of the State. There is no assurance that there will not be any change in interpretation of, or addition to the applicable laws, provisions and regulations which would have a material effect, directly or indirectly, on the affairs of the State or amounts deposited in the Assistance Fund.

APPENDIX H

Leased Property Relating to Prior Certificates⁽¹⁾

The following table describes the Leased Property subject to the Site Leases between the Trustee and the respective Participating K-12 Institutions relating to the Series 2009A Certificates, the Series 2010B Certificates, the Series 2010C Certificates, the Series 2010D Certificates, the Series 2010E Certificates, the Series 2010F Certificates, the Series 2011G Certificates and the Series 2012H Certificates (collectively, the “**Prior Certificates**”).

Participating K-12 Institutions	Description of Leased Property	Land
Series 2009 A Certificates		
Alamosa School District No. Re-11J	Two elementary schools (144,688 sq. ft./72 classrooms) ⁽²⁾	26.6-acre parcel of undeveloped land valued at \$226,000
Sangre de Cristo School District Re-22J	One K-12 school (81,000 sq. ft./24 classrooms) ⁽²⁾	40-acre parcel of agricultural land valued at \$32,667
Sargent Re-33J	One junior/senior high school (62,463 sq. ft./18 classrooms) ⁽²⁾⁽³⁾	1.2-acre parcel valued at \$6,656
Series 2010B-C Certificates		
Alta Vista Charter School, Inc.	Addition to K-8 School ⁽²⁾ (18,000 sq. ft. + renovation)	7.4-acre parcel valued at \$37,634
Colorado School for the Deaf and Blind	Historical Building Renovation ⁽²⁾ (6,000 sq. ft. addition/7 classrooms)	0.6-acre parcel valued at \$55,756
Delta County Joint School District 50	Existing Elementary School ⁽²⁾	10.5-acre parcel valued at \$60,000
Douglas County School District, Re1	Existing Administrative Building ⁽²⁾	2.1-acre parcel valued at \$283,484
El Paso County School District No. 8	Existing Activity Center Building ⁽²⁾	4.1-acre parcel valued at \$78,000
Miami Yoder School District JT-60	Phase II of New PK-12 School (64,974 sq. ft.) ⁽²⁾	2-acre parcel valued at \$1,300
Park County School District Re-2	New PK-12 Campus (125,000 sq. ft./40 classrooms) ⁽²⁾	9.8-acre parcel valued at \$657,416
San Juan County School District No. 1	Renovate Historical K-12 School (21,500 sq. ft. bldg + 10,000 sq. ft. gym) ⁽²⁾	1.1-acre parcel valued at \$1,108,600
Swink School District No. 33	Elementary School Classroom Addition (5,800 sq. ft./6 classrooms) ⁽²⁾	0.3-acre parcel valued at \$230
Series 2010D-F Certificates		
Akron School District No. R-1	PK-12 school (108,700 sq. ft./32 classrooms) ⁽²⁾	5.14-acre parcel of land valued at \$125,300
Center Joint Consolidated School District No. 26	K-12 school (105,000 sq. ft./60 classrooms) ⁽²⁾	14.3-acre parcel of land valued at \$39,341

Participating K-12 Institutions	Description of Leased Property	Land
Holly School District RE-3	PK-12 School (73,631 sq. ft./42 classrooms) ⁽²⁾	23.0-acre parcel of land valued at \$51,354
Lake George Charter School	PK-6 School (21,000 sq. ft./12 classrooms) ⁽²⁾	10.0-acre parcel of land valued at \$100,000
Mapleton School District	Partial campus improvements (404,250 sq. ft./121 classrooms affected) ⁽²⁾	34.8-acre parcel of land valued at \$695,000
Monte Vista Consolidated School District No. 8	High School and Elementary School (128,531 sq. ft./ 56 classrooms) ⁽²⁾	8.8-acre parcel of land valued at \$504,733
North Routt Community Charter School	K-8 School (12,241 sq. ft./6 classrooms) ⁽²⁾⁽³⁾	8.0-acre parcel of land valued at \$60,000 ⁽³⁾
Salida School District R-32-J	High School (98,190 sq. ft. bldg./22 classrooms) ⁽²⁾	14.5-acre parcel of land valued at \$453,370
Vista Charter School	Grades 6-8 School (16,835 sq. ft./9 classrooms) ⁽²⁾	2.3-acre parcel of land valued at \$595,000

Series 2011G Certificates

Big Sandy School District	New PK-12 School (83,412 sq. ft./34 classrooms) ⁽²⁾	33.9-acre parcel of land valued at \$55,000
Eagle County Charter Academy	K-8 School (45,000 sq. ft./26 classrooms) ⁽²⁾	6.001-acre parcel of land valued at \$304,550
Ellicott School	Middle School (74,466 sq. ft./27 classrooms)	8.61-acre parcel of land valued at \$10,501
Englewood School District	High School (97,800 sq. ft./30 classrooms)	12.68-acre parcel of land valued at \$1,601,788
Horizons School	K-8 Charter School Addition (37,725 sq. ft. with 10 classrooms) ⁽²⁾⁽³⁾	1.045-acre parcel of land valued at \$133,266
Idalia School District	PK-12 Gym ⁽²⁾⁽³⁾	1.91-acre parcel of land valued at \$291
Ignacio School District	Cafeteria, stage and kitchen addition	0.484-acre parcel of land valued at \$21,054
Prairie School District	PK-12 School (57,764 sq. ft./20 classrooms) ⁽²⁾⁽³⁾	24.394-acre parcel of land valued at \$2,486
Sanford School District	Bus barn and building ⁽²⁾	2.685-acre parcel of land valued at \$2,658

Series 2012H Certificates

Elbert School District No. 200	PK-12 school 73,869 sq. ft. w/25 classrooms	10.1-acre parcel of land valued at \$46,739
Genoa-Hugo School District No. C-113	South Wing of PK-12 school 37,902 sq. ft.	8.66-acre parcel of land valued at \$6,381
Greeley School District No. 6	Middle school	20.0-acre parcel of land valued at

Participating K-12 Institutions	Description of Leased Property	Land
	103,267 sq. ft. w/36 classrooms	\$3,386
Hi-Plains School District No. R-23	PK-12 school 51, 268 sq. ft. w/20 classrooms	40-acre parcel of land valued at \$34,000
Lake County School District No. R-1	High school addition ⁽⁴⁾ 47,046 sq. ft. w/15 classrooms	2.20-acre parcel of land valued at \$22,448
Montezuma-Cortez School District No. RE1	High school 162,500 sq. ft. w/25 classrooms	35.47-acre parcel of land valued at \$600,000
Otis School District No. R-3	PK-12 School 67,764 sq. ft. w/21 classrooms	13.45-acre parcel of land valued at \$62,852
Platte Valley School District No. RE3	Gym & weight room 19,273 sq. ft.	0.98-acre parcel of land valued at \$2,421
Sheridan School District No. 2	Early childhood center ⁽³⁾ 129,927 sq. ft. w/49 classrooms	14.045-acre parcel of land valued at \$1,774,220

Series 2013I Certificates

Creede School District	K-12 School Replacement 37,277 SF w/15 classrooms	15.01-acre parcel of land valued at \$300,000
Haxtun School District RE-2J	K-12 Renovation and Addition 86,753 SF w/23 classrooms	7.91-acre parcel of land valued at \$1,091
Kim Reorganized School District No. 88	Renovation and Addition to PK-12 School 31,987 SF w/11 classrooms	2.14-acre parcel of land valued at \$47,308
Limon School District No. RE 4J	New PK-12 School and Gym Renovation 118,000 SF w/40 classrooms	7.06-acre parcel of land valued at \$7,345
Moffat School District No. 2, in the County of Saguache and State of Colorado	PK-12 School Replacement 49,644 SF w/21 classrooms	14.35-acre parcel of land valued at \$7,941
South Conejos School District No. RE-10	PK-12 School Replacement 63,583 SF w/19 classrooms	22.89-acre parcel of land valued at \$8,275

2015 Supplemental Indenture

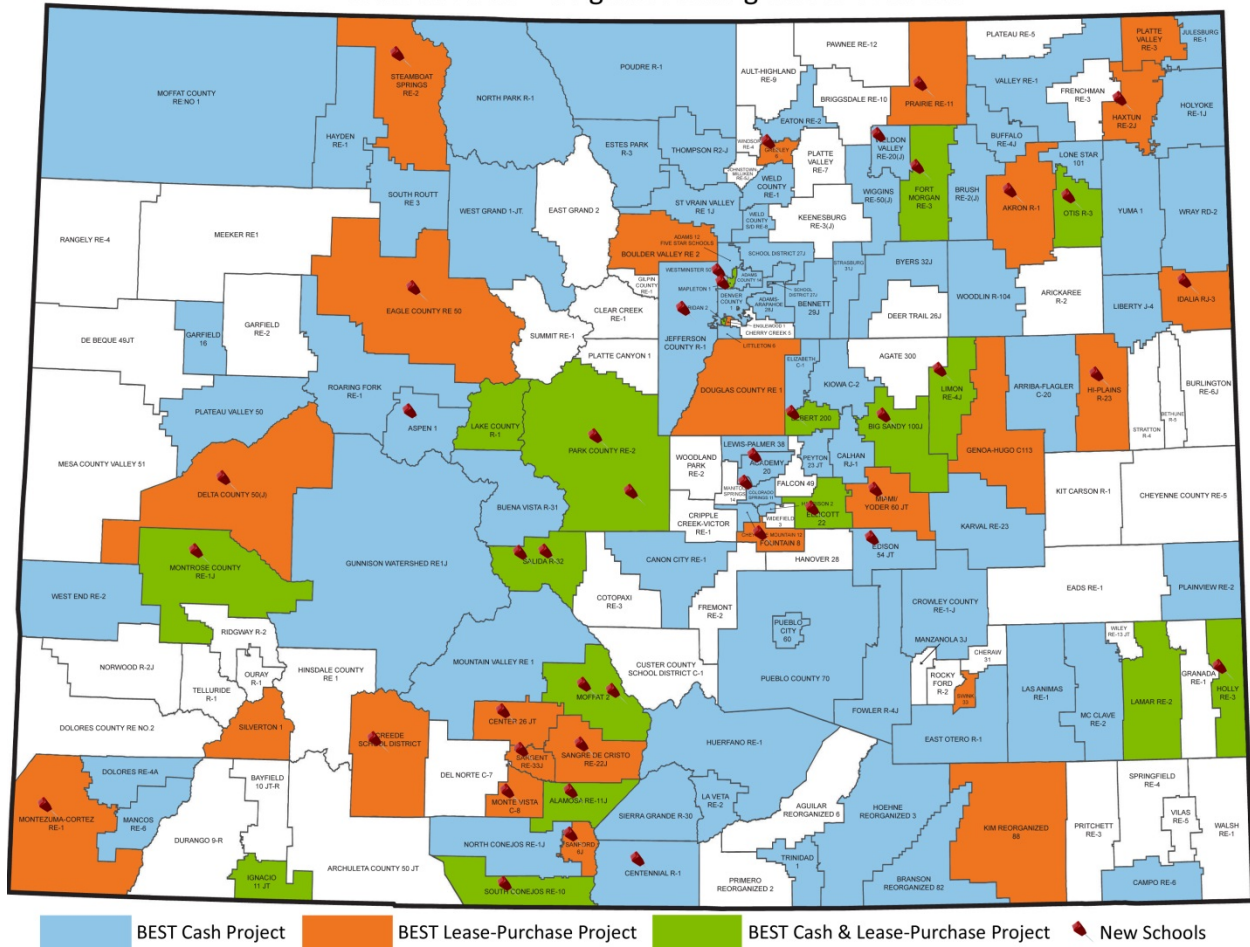
Morgan County School District Re-3	Morgan County High School valued at \$19,227,777	11.89 Acres valued at \$58,682
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- (1) The Leased Property shown on this list, or any portion thereof, may be released and other property substituted therefor as described in "Substitution of Leased Property" under "SECURITY AND SOURCE OF PAYMENT." In some cases, the Leased Property is comprised of existing facilities which were not wholly or partially financed with the proceeds of the Certificates.

- (2) These Projects have been cleared for occupancy and are currently in operation. Remaining Projects in this table have not been cleared for occupancy and are being funded from amounts remaining in the related Project Accounts and, in some cases, Matching Moneys that may be withdrawn from the Assistance Fund to pay Project costs.
- (3) Restricted by deed to educational purposes. Accordingly, the ability of the Trustee to lease such Leased Property to third parties upon the occurrence of an Event of Nonappropriation or Event of Default and subsequent vacating of such property will be limited to Lessee's desiring to use the property for educational purposes. See "CERTAIN RISK FACTORS – Effect of a Nonrenewal of a Lease."
- (4) Upon the failure of the Rocky Mountain Deaf School to satisfy certain contractual obligations, the State Board reallocated funds originally designated to such school to the Lake County School District to fund another qualified project.

The map below shows the geographic distribution of BEST projects across the State.

Distribution of BEST grant funding across Colorado



Source: Colorado Department of Education.