

2011 PRIVATE ACTIVITY BOND PROGRAM DESCRIPTION

COLORADO DEPARTMENT OF LOCAL AFFAIRS

Private Activity Bonds are tax-exempt bonds that can be issued for specific purposes. The federal government grants annual allocations of this bonding authority to states under the Tax Reform Act of 1986. The State of Colorado established its Private Activity Bond (PAB) allocation program by statute (24-32-1701 et seq, C.R.S.) to provide for the allocation of Colorado's PAB authority. The program consists of two major elements:

Direct PAB Allocations

Fifty percent (50%) of the state ceiling is allocated directly to statewide authorities. Eligible statewide authorities include the Colorado Housing and Finance Authority (CHFA), CollegeInvest and Colorado Agricultural Development Authority (CADA). Statewide authorities may utilize this allocation from January 1 to September 15 of each year.

The remaining 50% of the PAB ceiling is allocated directly to local governments. Governments whose populations warrant allocations of \$1 million or more receive a direct allocation. These allocations are available to designated local governments from January 1 to September 15 of each year. The remainder is retained in the Statewide Balance.

If any portion of a direct allocation is not used by a statewide authority or local government (1) to issue bonds, (2) for a carryforward purpose or (3) a mortgage credit certificate election, by September 15, the remaining allocation reverts to the Statewide Balance.

PAB Statewide Balance

The Statewide Balance is available to (1) local issuers not receiving a direct allocation or (2) statewide authorities and designated local governments that need additional allocation. State law requires that, **prior to September 15th, agencies in the second group must relinquish unused portions of their direct allocation to the Statewide Balance** at the time of award.

The Department of Local Affairs will accept applications for allocations from the Statewide Balance beginning **March 1st**, and on a monthly basis through **October 1st**. Any relinquished allocations or remaining bond cap in the Statewide Balance will be allocated in the October 1st round. The Private Activity Bond Allocations Committee recommends priorities for use of the Statewide Balance, reviews applications and makes recommendations to the Executive Director of the Department of Local Affairs, who makes the final decision on awards.

Statewide Balance Program Purposes

The primary purpose of Colorado's PAB program is to meet federal requirements in the Tax Reform Act of 1986. The program is also designed to accomplish the following:

1. Establish an orderly and equitable process of allocating tax-exempt PAB issuance authority.
2. Encourage private investment in creating and sustaining housing, higher education, jobs, solid and hazardous waste treatment, and water and sewer facilities.
3. Encourage development in areas of the state where housing, higher education, jobs, and certain infrastructure improvements are most needed.
4. Encourage the increase or maintenance of the local tax base.
5. Maximize the use of the state's tax-exempt PAB allocation.

Statewide Balance Program Priorities

The PAB Allocations Committee has established the following priorities for potential uses of PABs from the Statewide Balance, in the following rank order:

1. Rental Housing, Industrial Development Bonds.
2. For-Sale Housing, Exempt Facility Bonds and Student Loans.

Statewide Balance Application Review Criteria

Each PAB application will be reviewed for completeness, eligibility, and financial feasibility. Preference will be given to applications that demonstrate:

1. The ability to issue the bonds through a certified copy of an inducement resolution. No application will be accepted that does not contain a certified copy of an inducement resolution. Preference will be given to applicants with a preliminary commitment for bond credit enhancement (if applicable).
2. Community support through financial commitment of local PAB allocation, other local financial subsidies or reduced fees. Before September 15th, any applicant who received a direct allocation of PABs must have either issued their allocation, committed it to the project that is the subject of their application, or relinquished it to the Statewide Balance. Communities without their own direct allocation of PABs are encouraged to apply – the availability of local resources will be taken into account. Programs offered statewide, such as student loans, are not required to show local funding contributions.
3. The impact of the PAB-financed project or program on a demographic or economic need. Indicators of need may include: low housing vacancy rates, increasing gap between housing costs and local wages, high unemployment, economically distressed areas &/or lack of student loan providers.
4. Typical project size between \$3 million and \$25 million. A justification must accompany an application if the proposed project varies from this range.

5. Consistency with local development plans. Proposed projects should support local development priorities and avoid any adverse impact on neighboring jurisdictions. This criterion does not apply to programs that do not involve real estate development, such as student loan or homeownership programs.

Statewide Balance & the Private Activity Bond Allocations Committee

The Private Activity Bond Allocations Committee is established in state law to advise the Executive Director of the Department of Local Affairs on statewide priorities for the allocation of the Statewide Balance. Inferred in this is the duty to review and advise the Executive Director on specific allocation proposals. The Committee is chaired by the Executive Director (as a non-voting member) and includes eight other members appointed by the Governor. Four members represent units of governments, one of whom must be from the western slope; three members are citizens residing in Colorado, one of whom must be from the western slope. One member represents statewide authorities. All members are appointed to three-year terms except the chairperson and the statewide authority member, who are appointed annually.

Application Fee and Administrative Fees

The Statewide Balance application fee is \$750 per proposal. The fee **must** accompany the application, and it is non-refundable. Upon bond issuance or at the time that a Mortgage Credit Certificate program commences, a .25% issuance fee is due for the portion of the issuance that was allocated from the Statewide Balance. **There is no longer any exemption from this fee for local governments.** It is due to the Colorado Department of Local Affairs within five working days of the bond closing or the commencement of a Mortgage Credit Certificate program.

For assistance in the Private Activity Bond Program application process, contact Ann Watts at (303) 866-4652 or ann.watts@state.co.us. Completed applications and other correspondence should be mailed to:

Ms. Ann Watts, PAB Program Manager
Colorado Department of Local Affairs
1313 Sherman Street, Room 518
Denver, Colorado 80203

SCHEDULE
Statewide Balance Private Activity Bond Program

Application Submission and Review Schedule:

First application deadline	March 1 st
Subsequent application submission deadlines	1 st of each month through October 1 st
Staff & PAB Committee review	6-7 weeks from application submission date
Notification of allocations	7-8 weeks from application submission date

Other important dates:

PAB Allocations Committee Public Hearing & Meeting	April 20 th
Unused PAB relinquished to Statewide Balance	September 15 th
PAB Allocations Committee Meeting	November 14 th
Unused Awards from Statewide Balance relinquished to Statewide Balance	December 23 rd
Awards of PAB from Statewide Balance for Carry Forward Purposes	December 26-29 th

Colorado 2011 Private Activity Bond Direct Allocations

Statewide Pop.	PAB Cap Available
5,029,196	\$477,773,620

Local Issuers	Population	PAB Cap	Local Issuers	Population	PAB Cap
Denver	618,650	\$29,385,875	Grand Junction	56,446	\$2,681,185
Colorado Springs	407,733	\$19,367,318	Broomfield	55,861	\$2,653,398
Aurora	326,661	\$15,516,398	Eagle County	54,721	\$2,599,248
Jefferson County	215,116	\$10,218,010	La Plata County	51,664	\$2,454,040
Douglas County	198,897	\$9,447,608	Pueblo County	51,467	\$2,444,683
El Paso County	173,841	\$8,257,448	Fremont County	48,387	\$2,298,383
Weld County	161,989	\$7,694,478	Castle Rock	47,168	\$2,240,480
Lakewood	145,990	\$6,934,525	Parker	45,128	\$2,143,580
Fort Collins	140,087	\$6,654,133	Littleton	43,461	\$2,064,398
Thornton	118,953	\$5,650,268	Commerce City	42,630	\$2,024,925
Arapahoe County	111,162	\$5,280,195	Montrose County	42,065	\$1,998,088
Westminster	108,830	\$5,169,425	Northglenn	36,825	\$1,749,188
Arvada	108,539	\$5,155,603	Englewood	33,895	\$1,610,013
Pueblo (city)	106,895	\$5,077,513	Brighton	32,664	\$1,551,540
Adams County	102,855	\$4,885,613	Delta County	31,969	\$1,518,528
Boulder (City)	102,210	\$4,854,975	Wheat Ridge	31,707	\$1,506,083
Centennial	101,658	\$4,828,755	Summit County	29,225	\$1,388,188
Greeley	93,129	\$4,423,628	Morgan County	28,487	\$1,353,133
Larimer County	93,065	\$4,420,588	Lafayette	26,200	\$1,244,500
Mesa County	91,076	\$4,326,110	Montezuma County	25,676	\$1,219,610
Boulder County	87,717	\$4,166,558	Routt County	24,115	\$1,145,463
Longmont	86,086	\$4,089,085	Elbert County	23,644	\$1,123,090
Loveland	66,132	\$3,141,270	Fountain	23,351	\$1,109,173
Garfield County	57,646	\$2,738,185	Teller County	22,691	\$1,077,823
			Logan County	21,504	\$1,021,440
Total Local Issuers:			\$225,903,744		

	Population	PAB Cap
Statewide Authorities:		
CHFA		\$118,886,810
CollegelInvest		\$90,000,000
CADA		\$30,000,000
Total Authorities		\$238,886,810
Statewide Balance	273,328	\$12,983,066
TOTAL PAB	5,029,196	\$477,773,620

STATEWIDE BALANCE ELIGIBILITY LIST

Qualified residential rental projects* – Bond proceeds are used to finance new construction or acquisition/rehabilitation of housing for persons with low and moderate incomes.

Single-family mortgage revenue bonds (SFMRB) – Bonds sold by local and state agencies, to be used for mortgages for persons with low and moderate incomes.

Mortgage Credit Certificates (MCC) – Local issuers can elect to use a bond allocation as mortgage credit certificates for qualified homebuyers.

Student loans – Proceeds are used to provide low interest loans to eligible students at institutions of higher education.

Manufacturing "small issue" industrial development bonds (not to exceed \$10,000,000) – Bonds sold for construction of manufacturing facilities that cause a change in the condition of goods or products.

Qualified redevelopment bonds – Bonds sold to acquire property in blighted areas; prepare land for redevelopment; and relocate occupants of structures on the acquired property.

Exempt facility bonds – Hazardous waste facilities, solid waste disposal facilities, water and sewer facilities, mass commuting facilities, local district heating and cooling facilities, local electric energy or gas facilities, and multifamily housing bonds.

THE DEPARTMENT REQUIRES THAT ANY PROJECT DEVELOPER CONSIDERING USING STATEWIDE BALANCE SEEK THE ADVICE OF BOND COUNSEL PRIOR TO SUBMITTING AN APPLICATION, TO DETERMINE PROJECT ELIGIBILITY UNDER FEDERAL DEFINITIONS FOR PRIVATE ACTIVITY BONDS.

4% LOW INCOME HOUSING TAX CREDITS

* Rental housing projects are also eligible for Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code. The Colorado Housing and Finance Authority (CHFA) administers the tax credit program in Colorado. Developers of rental housing projects must contact CHFA prior to application for PAB and inquire about applying for 4% tax credits. CHFA requires a market study completed under their guidelines. For further information, call CHFA at (800) 877-2432.

2011 PRIVATE ACTIVITY BOND APPLICATION FOR STATEWIDE BALANCE

1. PROJECT OR FINANCING NAME: _____.

2. ISSUING AUTHORITY

Issuing authority officer and title: _____.

Issuing authority agency name: _____.

Address: _____.

Telephone: _____ Fax: _____ Email: _____.

3. PRIVATE BENEFICIARY OR PROPOSED PROJECT OR FINANCING

Principal company or entity contact person: _____.

Company name: _____.

Address: _____.

Telephone: _____ Fax: _____ Email: _____.

4. BOND COUNSEL FIRM

Responsible attorney: _____.

Company name: _____.

Address: _____.

Telephone: _____ Fax: _____ Email: _____.

5. UNDERWRITER OR LENDER

Contact person: _____.

Company name: _____.

Address: _____.

Telephone: _____ Fax: _____ Email: _____.

6. TYPE OF BONDS (check one below)

Single Family Mortgage	<input type="checkbox"/>	Multifamily Housing	<input type="checkbox"/>	IDB/Manufacturing Activity	<input type="checkbox"/>
Mortgage Credit Certificate	<input type="checkbox"/>	Waste Treatment/Disposal	<input type="checkbox"/>	Water/Sewer	<input type="checkbox"/>
Other (specify): _____.					

7. AMOUNT OF STATEWIDE BALANCE ALLOCATION REQUESTED: \$ _____.

8. AMOUNT OF LOCAL GOVERNMENT BOND CAP PLEDGED TO PROJECT

2008 Bond Cap: \$ _____ 2010 Bond Cap: \$ _____.

2009 Bond Cap: \$ _____ 2011 Bond Cap: \$ _____.

Has all local 2011 bond cap been either issued, or assigned to a project? If not assigned to this project, what project or purpose is it being used for and when does it expect to issue the bonds?

_____.

9. To the best of my knowledge, this information and the attachments hereto are true and correct.

Issuing authority officer

Date

REQUIRED ATTACHMENTS

- ___ One original and one copy of the completed Statewide Balance application form.
- ___ **Certified copy of Inducement Resolution** – No applications will be accepted without a certified Inducement resolution, as required by State statute. This requirement will not be waived for any applicants.
- ___ Bond Counsel opinion as required by C.R.S. 24-32-1709 (g).
- ___ Copies of bond cap assignments, if any.
- ___ Signed statement of intent or other indication of proposed credit enhancement.
- ___ Letter from the local government indicating their priority, if more than one request for allocation is submitted.
- ___ Rental Housing Applications – professionally prepared third party market study. Applicants must coordinate the preparation of this market study with CHFA.
- ___ IDB Applications – Market analysis, business plan and financial statements (include proposed allocation of bond proceeds and other sources of financing for project).
- ___ Other information specifically requested to assist in reviewing project.
- ___ Application fee of \$750 (make check payable to "Colorado Department of Local Affairs").

*** NOTE: All required attachments must be submitted by the application deadline. NO incomplete or late applications will be accepted.**

LOCAL ISSUER APPLICATION REQUIREMENTS

Colorado State Statute requires that, before September 15th, any issuer that received its own direct allocation of Private Activity Bonds must have **issued** their entire PAB allocation before receiving an award of PABs from the statewide balance.

Applications for statewide balance that include an allocation of local bond cap will be considered a priority to that local government and will receive a preference from the Department of Local Affairs. Local governments that are allocating Private Activity Bond cap to the project described in this application must relinquish the local bond cap to the Department of Local Affairs if the project successfully receives an allocation from the Statewide Balance. This must happen before an allocation letter for statewide balance bond cap is issued – the allocation letter will include both the local PAB cap and the statewide balance award amounts.

PROJECT INFORMATION
(To be completed by all applicants)

1. Provide a short description of the proposed project or financing program.
2. What is the projected bond issuance date?
3. Has the governmental issuer and/or the private party utilized PABs in the past? If so, identify financings by issuer, date, purpose, amount issued, and maturity schedule for the past two years.
4. Do you have site control? Has the project received zoning, subdivision and site plan approvals? If not, what is the status of land use approvals, and when do you anticipate receiving final land use approval? (N/A for SFMRB & MCC applicants)
5. Is the infrastructure in place to service this project? If not, is the infrastructure under construction or planned? What is the estimated time of completion? (N/A for SFMRB & MCC applicants)
6. Is the project located in a floodplain? If so, please indicate proposed mitigation measures. (N/A for SFMRB & MCC applicants)
7. Has the project received a preliminary commitment for credit enhancement? If yes, attach copy of commitment letter and any conditions. If not, when is the preliminary commitment anticipated? Please submit when received.
8. What additional tax revenue will accrue to the local government from this project?
 - a. Assessed Valuation:
 - b. Sales/Use Tax:
 - c. Property Tax:
 - d. Other:
9. What will happen to the financial feasibility of the project or program if it were not successful in receiving an allocation of Private Activity Bonds, or if it received a partial allocation?

RENTAL HOUSING PROJECTS
(Rental Housing applicants only)

1. How many units of housing will be constructed or rehabilitated by this project?
2. Please indicate the number of units serving persons with lower incomes and the qualifying income levels.
3. Describe the location of the project and its proximity to community amenities and services such as public transportation, employment, social services, etc.
4. Describe the site, buildings, common spaces, etc., and attach site plans, elevations, floor plans and photos.
5. Describe how your project or program will incorporate visitability, energy efficiency, &/or water efficiency features.
 - a. How many units will be ADA accessible, & how many will be visitable?
 - b. How many units will meet Energy Star criteria, & what other efforts will be made to improve energy efficiency?
 - c. What water-saving features will be incorporated?
6. Describe other financing commitments, including the terms (interest rate, length of loan, tax credit sales price, fees, etc) and level of commitment. Include construction as well as permanent sources.
7. Is an investor identified for the Low Income Housing Tax Credits? If so, include a copy of their offer to purchase the credits.
8. Describe the target population and the market demand or need for the project or program, and attach a third-party professional market analysis.
9. Describe the project's timeline, including target dates for:
 - a. Zoning, Site Plan and/or Subdivision Approval
 - b. Primary Lender Approval
 - c. LIHTC Allocation
 - d. Close of Acquisition
 - e. Begin Construction/Rehab
 - f. Other -
10. Describe the developer's capacity to complete this proposal by identifying similar projects they have completed, and summarize their outcomes.

11. Who will be the property manager? What is their experience with managing this type of property?

12. Please attach a detailed proforma, including:

- a. operating budget with detail of unit rents, other income & operating expenses
- b. development budget
- c. financing sources budget
- d. ten-year operating pro forma.

OWNERSHIP HOUSING PROJECTS
(SFMRB & MCC applicants only)

1. What counties/cities will be included in the program?
2. Have mortgage companies from throughout the service area agreed to participate in the program? If so, please list them.
3. Describe the MRB program's loan rates, terms, average and maximum loan amounts.
4. How much equity is the homebuyer required to provide, at a minimum?
5. For MRB programs, describe the downpayment assistance made available to homebuyers and how it is funded.
6. Does the program require &/or provide homebuyer education classes? If so, please describe.
7. Has the issuer/applicant received any PAB assignments from any other local issuer or authority for this program? If so, how much was received, and does any of this PAB authority remain to be utilized?
8. Describe the target population and the market demand or need for the program.
9. Historically, what is the average purchase price of homes purchased with your program?
10. What is the upper limit of income qualifications? What income thresholds will be placed on the program for households in targeted & non-targeted areas?
11. Historically, what is the average income of households served by your program?
12. How much can people at these income levels afford to spend on a home?
13. How many homes are listed in your community's Multiple Listing Service in their price range? Are there any new affordable homes in development?
14. Who will administer the program? What is their experience administering housing finance programs?

15. Please provide a program budget including administrative costs of running the program and issuing the bonds.

16. For the current program year, how many households do you anticipate serving with this program?

Please break out how many would be funded with:

- a. your initial allocation,
- b. assignments from other agencies,
- c. the amount requested of the statewide balance,
- d. recycled bonds and
- e. taxable bonds?

IDB INFORMATION
(Small manufacturing applicants only)

1. Describe the need and purpose for the relocation or expansion of this manufacturing proposal.
(Please note: In the case of an in-state relocation, the Department of Local Affairs will notify the area from where the company is leaving of the relocation plans.)
2. Please attach a detailed description of the sources and uses of funds for this project.
3. Please include the facility's average wages by occupational category and the number of retained or created jobs through this investment.
4. Please provide a description of employee benefits.
5. Please provide copies of financial statements:
 - If this is a publicly held company, submit complete Annual Reports for the past 3 years, plus an interim statement dated within 90 days of the application due date.
 - If this is a privately held company, the company must submit audited/reviewed/compiled financial statements covering the most recent 3 full years in terms of Balance Sheets and Income Statements. Also submit an interim statement dated within 90 days of the application due date. The accounting firm's accompanying letter(s) and notes also must be submitted.
 - If this is a privately held company that prepares its statements internally, the company must submit its internally prepared financial statements covering the most recent 3 full years in terms of Balance Sheets and Income Statements, along with federal tax returns for such years. Also submit an interim statement dated within 90 days of the application due date.
 - For the most recent financial statements provided, the company must submit a debt listing/schedule unless this information is readily available in the financial statements provided.
6. Income and cashflow projections must be submitted for a three-year period going forward. These projections must be on a monthly basis for the first year and then quarterly thereafter. Assumptions to the projections must be included.
7. Please provide a detailed timeframe for issuing bonds, constructing the facility and purchasing the equipment with bond proceeds.
8. What is the legal structure of this company?
9. FYI, please be prepared to set up a site visit with staff from the Governor's Office of Economic Development and International Trade during their underwriting review process.

BUSINESS CERTIFICATION – IDB Applicants Only

We, as the Business requesting assistance through a Private Activity Bond, certify that the information, exhibits and schedules contained herein are true and accurate statements, and represent fairly the financial posture of the enclosed entity(ies) as of the date stated herein. We give unconditional consent to allow the Department of Local Affairs or the Office of Economic Development and International Trade and its agents to verify financial information or discuss information regarding the Business and its primary shareholders/guarantors herein with participants in the project or with other potential sources from which the Business may obtain financing.

Typed or Printed Name

Signature

Business Title/Capacity

Business Name

Date

CREDIT INVESTIGATION FORM – IDB Applicants Only

The Department of Local Affairs or the Office of Economic Development and International Trade have my permission to obtain information on my personal and/or business credit history.

Name (Printed or Typed)

Spouse's Name (Printed or Typed)

Social Security Number

Spouse's Social Security Number

Current Address

Previous Address

Date of Birth

Spouse's Date of Birth

Signature

Date

Spouse's Signature

Date

Name of Business

**SOLID WASTE TREATMENT/DISPOSAL, WATER AND SEWER
(Waste/sewer applicants only)**

1. What permits are required for this project, including those required by the EPA, the Department of Health and the Division of Local Government? Are all required permits already obtained or in the process? If the permits are in process, when is approval expected?

2. Is this project eligible for tax-exempt financing other than Private Activity Bonds?

3. Is this project consistent with the policies recommended by the Governor's Solid Waste Task Force?

4. Please provide copies of financial statements:
 - If this is a publicly held company, submit complete Annual Reports for the past 3 years, plus an interim statement dated within 90 days of the application due date.

 - If this is a privately held company, the company must submit audited/reviewed/compiled financial statements covering the most recent 3 full years in terms of Balance Sheets and Income Statements. Also submit an interim statement dated within 90 days of the application due date. The accounting firm's accompanying letter(s) and notes also must be submitted.

 - If this is a privately held company that prepares its statements internally, the company must submit its internally prepared financial statements covering the most recent 3 full years in terms of Balance Sheets and Income Statements, along with federal tax returns for such years. Also submit an interim statement dated within 90 days of the application due date.

 - For the most recent financial statements provided, the company must submit a debt listing/schedule unless this information is readily available in the financial statements provided.

QUALIFIED REDEVELOPMENT PROJECTS

1. Please provide a narrative description of the redevelopment that will be undertaken, including a timeline for completion of the project.
2. Is this project consistent with an approved urban renewal or local development plan? Include a letter from the appropriate unit of government certifying its consistency with these plans.
3. Please provide copies of redevelopment site &/or building plans.
4. Please submit the redevelopment budget including sources and uses, especially how bond proceeds will be used.
5. Provide a description of who will be undertaking the redevelopment activities, and their relative experience.

This sample form of assignment can be used by designated local issuing authorities for assignment of private activity bond allocation, but not for carryforward purposes. This is a sample document, for informational purposes only. Consult your bond attorney regarding the precise document(s) required for your particular transaction.

ASSIGNMENT OF AN ALLOCATION BY A DESIGNATED ISSUING AUTHORITY

THIS ASSIGNMENT (the "Assignment") dated this _____ day of _____, 201x, is between _____, Colorado, a body corporate and politic (the "Assignor"), and _____, Colorado, a body corporate and politic (the "Assignee").

RECITALS

A. _____, a _____ (the "Company") has requested the Assignee, to finance a project consisting of _____ (the "Project") to be located in _____, Colorado and has represented to the Assignor and the Assignee that the Project will be designed to qualify as a "project" within the meaning of the County and Municipality Development Revenue Bond Act, constituting part 1 of article 3 of title 29, Colorado Revised Statutes, as amended (the "Act").

B. The Company has requested that the Assignee authorize and provide for the issuance of its Revenue Bonds (the "Bonds") for the financing of a Project in an amount up to a maximum aggregate principal amount of \$ _____ the ("Proposed Bonds"), pursuant to the provision of the Act for the purpose of financing the Project.

C. The Assignee, pursuant to Resolution No. ____ adopted by the _____ on _____, 201x, declared its intention to take all steps necessary or advisable to effect the issuance of the Bonds for the financing of the Project.

D. The Company has requested that the Assignor assign to the Assignee the Assignor's 201x allocation under the bond ceiling for the State of Colorado and its issuing authorities (the "State Ceiling") computed under Section 146 (d) of the Internal Revenue Code of 1886 (the "Code") as provided for the Assignor as a "designated local issuing authority" under part 17 of article 32 of title 24, Colorado Revised Statutes (the "Allocation Act"), for use in connection with the financing of the Project.

E. The Company has provided to the Assignor a copy of the opinion of bond counsel provided to the State of Colorado, Department of Local Affairs, Division of Housing, that the Bonds constitute "private activity bonds" as defined in Section 141 of the Code, stating the amount of the Bonds requiring an allocation from the State Ceiling, and that the Assignee is authorized under Colorado laws and its Constitution to issue the Bonds.

F. Pursuant to Resolution No. _____, of the _____ of the Assignor adopted on _____, 201x, the Assignor has committed and reserved its allocation from the State Ceiling as a "designated local issuing authority" pursuant to the Allocation Act for use solely in connection with the financing of the Project.

G. Subject to the terms and conditions set forth herein, the Assignor desires to assign to the Assignee, and the Assignee desires to accept, the Assignor's 201x allocation from the State Ceiling, which allocates the Assignor has committed and reserved for the Project.

ASSIGNMENT

In exchange for the agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Assignor hereby assigns and transfers to the Assignee, the Assignor's 201x allocation from the State Ceiling for private activity bonds in an amount equal to \$_____ for the purpose of issuing the Bonds to finance the Project. The Assignor and the Assignee understand that such assigned allocation shall automatically be relinquished to the "Statewide Balance" as defined under the Allocations Act unless (a) the Bonds are issued by the Assignee on or before September 15, 201x, or (b) Section 24-32-1706(3)(c) applies.

2. The Assignor represents that it has received no monetary consideration for the assignment set forth above.

3. The Assignee hereby:

(a) Accepts the assignment of the portion of the Assignor's allocation from the State Ceiling described above; and

(b) Agrees to abide by each of the terms and conditions of this Assignment in connection with the use of such allocation.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this instrument to be executed to be effective as of the date and year first written above.

_____, COLORADO,
as Assignor

By:

[SEAL]

ATTEST:

_____, COLORADO,
as Assignee

By:

[SEAL]

ATTEST: