**State of Colorado**

**Building Excellent Schools Today**

**Post Issuance Compliance Requirements**

**For Participating K-12 Institutions**

Federal and State laws governing tax exempt financing such as the BEST Certificates of Participation require the State of Colorado, acting by and through the State Treasurer, to confirm compliance with certain tax and legal requirements on a periodic basis. These requirements can be found in your Tax Certificate and Sublease. The State will contact you if additional information is necessary.

Name of Participating K-12 Institution: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date and type of BEST Financing: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Description of Leased Property [collateral]: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Note: in most cases the collateral property and financed project are the same. If separate collateral was posted, separately identify the collateral and building being renovated with finance proceeds.

Description of Financed Project: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Your Current Authorized Signer(s) is/are: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Note: If your Authorized Signer(s) has changed please contact your BEST representative for assistance with updating this information.

Leased Property Requirements:

1. Insurance. The Sublease requires each Participating K-12 Institution maintain the following types of insurance on the Leased Property:
   1. Construction Period Insurance - During construction the policy provides general liability for the vacant land or building being renovated. Upon completion of the project and prior to occupancy, the Leased Property must be insured at the CRV (as described in a. above). After completion of the project, provide an annual certificate of insurance to the BEST staff.
   2. Payment and performance bonds are also required of your contractors during the construction of the financed project.
2. Record Retention. The Trustee maintains accounting records for all expenditures of BEST proceeds, however, the Participating K-12 Institution is responsible for retaining copies of all vendor contracts, Requisition Forms including backup documentation such as W-9.
   1. Confirm the Participating K-12 Institution has a process to retain records of all construction expenditures under the BEST financing. **Records relating to your BEST project must be retained for the term of your Sublease, plus six years.**
   2. Confirm the title insurance policy for the Leased Property was delivered to the Participating K-12 Institution and will be retained in BEST permanent files. This information is needed to release the Sublease and clear title to the Leased Property at the end of the term of the Sublease.
3. Lease Renewal. The Sublease and COP financing require the Participating K-12 Institution to annually renew its lease each fiscal year.
   1. Provide a copy of the written annual renewal of the Lease by the Participating K-12 Institution, or
   2. Provide notice of intent not to appropriate by no later than June 30 each year.
4. Financial Covenants. The Sublease prohibits a Participating K-12 Institution from agreeing to any easements, liens or encumbrances on the Leased Property.
   1. Confirm no easements, liens, or encumbrances have been filed against the Leased Property.
   2. If any easements are contemplated, the Trustee, Bond Counsel and the finance team must approve any encumbrances on the Leased Property in advance.

The undersigned has acknowledged these BEST Post Issuance Requirements after reasonable inquiry and in good faith and understands the State is relying upon this information to comply with state and federal laws.

By signing this form I certify that the participating K-12 institution is in compliance with the requirements above.

Participating K-12 Institution: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Please keep of copy of these requirements for your records and return the signed original to CDE at:

1580 Logan Street

Suite 310

Denver, CO 80203