

Section 8.06. Limited Liability. Notwithstanding anything to the contrary contained herein, in the District Note or in any other document mentioned herein or related to the District Note, the District shall not have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby except to the extent of its Payment Obligation with respect to the District Note and to the extent of any liability incurred by the State, including without limitation rebate requirements attributable to the Loan Program Notes, as a direct consequence of the District's fraud or gross negligence in preparing or presenting its financial statements or District Disclosure Documents.

Section 8.07. Severability. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Resolution should be determined by a court of competent jurisdiction to be contrary to law, then such covenant, stipulation, promise, agreement or obligation shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Resolution.

Section 8.08. Headings. Any headings preceding the text of the several articles and sections hereof, and any table of contents or marginal note appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 8.09. Authorized Officers. Whenever under the provisions of this Resolution the approval of the District is required or the District is required to take some action, such approval or such request may be given for the District by the Authorized Officers of the District, and the State Treasurer shall be authorized to rely upon any such approval or request.

Section 8.10. Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

APPROVED AND ADOPTED this 17th day of June, 2014.

DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

[DISTRICT SEAL]

By 

President, Board of Education

Attest:

By 

Secretary, Board of Education

**EXHIBIT A
FORM OF DISTRICT NOTE**

Name of School District: DOUGLAS COUNTY SCHOOL DISTRICT RE. 1

Maximum Principal Amount: \$40,000,000 (Forty Million Dollars)

FOR VALUE RECEIVED, the above-referenced school district (the "District"), a political subdivision and body corporate of the State of Colorado (the "State"), hereby promises to pay to the Treasurer of the State (the "State Treasurer") from Taxes, no later than June 25, 2015, the Principal Amount, which shall not exceed the Maximum Principal Amount stated above, with no interest accruing thereon; provided however, that in the event the Principal Amount is not paid in full on June 25, 2015, interest shall accrue on the unpaid Principal Amount at the Default Rate (as each such capitalized term and other capitalized terms used but not defined herein are otherwise defined in the Resolution referenced in the following paragraph).

This Note is issued by the Board of Education of the District, on behalf of the District, in accordance with a Resolution (the "Resolution") of the Board of Education of the District duly adopted prior to the issuance hereof. The above recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after its delivery for value.

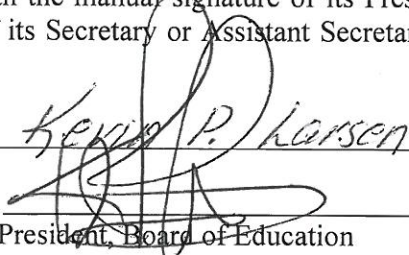
Principal of this Note is payable in immediately available funds only to the State Treasurer. This Note is subject to prior prepayment by the District in whole or in part at any time prior to the Maturity Date. This Note is nontransferable but may be assigned and pledged by the State Treasurer to secure the Loan Program Notes of the State Treasurer issued on behalf of the District. All of the terms, conditions and provisions of the Resolution are, by this reference thereto, incorporated herein as part of this Note.

It is hereby certified, recited and warranted that all acts, conditions and things required to be done, occur or be performed precedent to and in the issuance of this Note have been done, have occurred and have been performed in due form and manner as required by law, including the Loan Program Statutes, and that the obligations represented by this Note do not contravene any constitutional or statutory debt limitation of the District.


IN TESTIMONY WHEREOF the Board of Education of the District has caused this Note to be executed on the date indicated below, with the manual signature of its President or Vice President, attested with the manual signature of its Secretary or Assistant Secretary, and sealed with a facsimile or manual seal of the District.

{DISTRICT SEAL}

Dated: 6-17-14

By: 
President, Board of Education

Attest:

By: 
Secretary, Board of Education

END OF FORM OF DISTRICT NOTE

EXHIBIT B
PROJECTED CASH FLOW FOR DISTRICT FOR FISCAL YEAR 2014-15

[By statute, the Board of Education is to be presented with an explanation of the District's anticipated cash flow deficit. A copy of the 2014-15 cash flow summary should be attached to this Resolution at the time of consideration of its adoption by the Board of Education.]

FY 1415 Douglas - Pro Forma 1		June	June Day 1 - 9	June Day 10 - 20	June Day 21 - end
1	Annual Total				
2	25,440				
3	FY 13/14 School Finance Act Levy				
4	\$4,714,327,890				
5	FY 13/14 Assessed Value (exclude Tax Increment District AV)				
6	\$4,804,000,329				
7	Assessed Value Growth				
8	1.92%				
9	FY 13/14 Funded Pupil Count				
10	84,063.0				
11	FY 14/15 projected Funded Pupil Count				
12	2.30%				
13	Pupil Growth				
14	\$6,752				
15	FY 14/15 projected Per Pupil Total Program Funding				
16	\$430,430,888				
17	FY 14/15 projected Total Program Funding				
18	0				
19	1				
20	Beginning General Fund/Other Funds/Capital Reserve/Ins. Reserve Cash Balance (JULY 1, 2013 - PRIOR YEAR)				
21	25,440				
22	Beginning General Fund Cash Balance (JULY 1, 2014 - CURRENT YEAR)				
23	Update Resolution				
24	(plus) Beginning Other Funds Cash Balance (JULY 1, 2014 - CURRENT YEAR) (see note 2 below)				
25	(plus) Capital Reserve and/or Risk Mgmt./Insurance Reserve Cash Balance (JULY 1, 2014 - CURRENT YEAR)				
26	0				
27	Beginning Month Cash Balances (WITHOUT Cash Flow Loan Amount)				
28	Beginning Month Cash Balances (WITH PRIMARY Cash Flow Loan Amount)				
29	Beginning Month Cash Balances (WITHOUT SECONDARY Cash Flow Loan Amount)	\$18,325,520	\$18,325,520	\$17,629,853	(\$13,139,030)
30	Beginning Month Cash Balances (WITH SECONDARY Cash Flow Loan Amount)	\$56,815,855	\$56,815,855	\$55,820,198	\$26,160,215
31	Monthly Property Tax Total (Net Cash Received)	\$0	\$0	\$0	\$0
32	Monthly Specific Ownership Tax Total (Net Cash Received)	\$0	\$0	\$0	\$0
33	(plus) Current Month State Equalization Payment	\$24,848,788	\$24,848,788	\$24,848,788	\$24,848,788
34	78% (plus) Current Month Property Taxes (School Finance Act Portion Only)	\$30,863,806	\$30,863,806	\$1,670,491	\$28,593,315
35	22% (plus) Current Month Hold Harmless and Grande Property Taxes	\$8,456,744	\$8,456,744	\$460,703	\$7,996,041
36	53% (plus) Current Month Specific Ownership Taxes (School Finance Act Portion Only)	\$54,588	\$54,588	\$0	\$0
37	41% (plus) Current Month Other Specific Ownership Taxes (Other Than From School Finance Act)	\$7,671,147	\$7,671,147	\$0	\$0
38	(plus) Current Month Other General Fund Revenue	\$988,000	\$988,000	\$323,000	\$323,000
39	(plus) Current Month Other Funds Revenue (see note 2 below)	\$2,840,000	\$2,840,000	\$680,000	\$680,000
40	(plus) Current Month Capital Reserve and/or Risk Mgmt./Insurance Reserve Revenue (Exclude GF Transfers In)	\$0	\$0	\$0	\$0
41	Current Month Revenue	\$68,601,073	\$1,003,000	\$4,765,928	\$62,842,144
42	(less) Current Month Salaries Expense (General Fund) - exclude charter schools	\$21,764,750	\$0	\$21,764,750	\$0
43	(less) Current Month Benefits Expense (General Fund) - include (net) char only - exclude charter schools	\$7,400,015	\$0	\$7,400,015	\$0
44	(less) Current Month Other General Fund Expenses	\$4,070,000	\$1,106,667	\$1,356,667	\$1,356,667
45	(less) Current Month Salaries Expense (Other Funds) - exclude charter schools	\$3,322,672	\$0	\$3,322,672	\$0
46	(less) Current Month Benefits Expense (Other Funds) - include district share only - exclude charter schools	\$1,129,708	\$0	\$1,129,708	\$0
47	(less) Current Month Other Funds Expense (see note 2 below)	\$1,339,000	\$442,000	\$442,000	\$442,000
48	(less) Current Month Capital Reserve and/or Risk Mgmt./Insurance Reserve Expense	\$0	\$0	\$0	\$0
49	(less) Current Month Deposit To Note Repayment Account	\$0	\$0	\$0	\$0
50	(less) Charter School Transfer (Net)	\$7,100,000	\$0	\$0	\$7,100,000
51	Current Month Expenses	\$48,113,145	\$1,798,667	\$35,416,812	\$9,898,667
52	ENDING MONTH AVAILABLE BALANCES (WITHOUT Cash Flow Loan Amount)				
53	ENDING MONTH AVAILABLE BALANCES (WITH PRIMARY Cash Flow Loan Amount)				
54	CURRENT MONTH CASH FLOW LOAN BORROWING - Primary	\$0	\$0	\$0	\$0
55	CUMULATIVE CASH FLOW LOAN BORROWING - Primary	\$0	\$0	\$0	\$0
56	ENDING MONTH AVAILABLE BALANCES (WITHOUT SECONDARY Cash Flow Loan Amount)	\$40,813,448	\$17,629,853	(\$13,139,030)	\$40,813,448
57	ENDING MONTH AVAILABLE BALANCES (WITH SECONDARY Cash Flow Loan Amount)	\$79,103,783	\$55,820,198	\$25,160,315	\$79,103,783
58	CURRENT MONTH CASH FLOW LOAN BORROWING - Secondary	\$0	\$0	\$0	\$0
59	CUMULATIVE CASH FLOW LOAN BORROWING - Secondary	\$38,290,345	\$38,290,345	\$38,290,345	\$38,290,345
60	Update Resolution	\$38,290,345	\$38,290,345	\$38,290,345	\$38,290,345
61	CUMULATIVE CASH FLOW LOAN BORROWING - Primary & Secondary	\$38,290,345	\$38,290,345	\$38,290,345	\$38,290,345
62	CASH FLOW LOAN RESOLUTION AMOUNT	\$0	\$0	\$0	\$0
63	CUMULATIVE NOTE PAYMENT ACCOUNT	\$0	\$0	\$0	\$0
64	NOTE PAYMENT ACCOUNT REQUIREMENT - Primary	\$0	\$0	\$0	\$0
65	CUMULATIVE NOTE PAYMENT ACCOUNT BALANCE - Primary	\$0	\$0	\$0	\$0
66	NOTE PAYMENT ACCOUNT REQUIREMENT - Secondary	\$38,290,345	\$38,290,345	\$38,290,345	\$38,290,345
67	CUMULATIVE NOTE PAYMENT ACCOUNT BALANCE - Secondary	\$0	\$0	\$0	\$0
68	MARCH-MAY-JUNE PROPERTY TAX COLLECTIONS	\$0	\$2,131,194	\$36,989,358	\$39,120,552
69	CUMULATIVE MARCH-MAY-JUNE PROPERTY TAX COLLECTIONS	\$105,274,738	\$107,405,932	\$144,386,288	\$144,386,288
70	CASH FLOW LOAN BALANCE	\$0	\$0	\$0	\$0
71	Memo:				
72	Current Month Capital Reserve and/or Risk Mgmt./Insurance Reserve Transfer (beginning of month transfer)	\$0	\$0	\$0	\$0
73	100.0%				
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