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May 28, 2015

Board of County Commissioners of Gunnison County, Colorado
Gunnison, Colorado

Ladies and Gentlemen:

This letter is intended to explain various issues relating to Gunnison County, Colorado (the "County") acting as the conduit bond issuer for the Western State Colorado University Foundation (formerly known as the Western State College Foundation and referred to herein as the "WSCUF").

The County is a body corporate and politic organized and existing under the laws and constitution of the State of Colorado (the "State"), and is authorized and empowered by the County and Municipality Development Revenue Bond Act, Sections 29-3-101, *et seq.*, Colorado Revised Statutes, as amended (the "Act") and by the Supplemental Public Securities Act, Sections 11-57-201 *et seq.*, Colorado Revised Statutes, as amended (the "Supplemental Public Securities Act"), to issue development revenue bonds and to loan the proceeds thereof to a 501(c)(3) nonprofit corporation such as WSCUF.

On April 30, 2012, the County issued in an aggregate principal amount equal to $6,023,043.37 the Gunnison County, Colorado Revenue Bond (Western State College Foundation Project) Series 2012A (the "2012A Bond") for the purposes of (a) current refunding the City of Gunnison, Colorado Revenue Bond (Western State College Foundation Project) Series 2006, issued in an aggregate amount of $6,000,000 (the "Series 2006 Bond") which financed the construction of the Borick Business Building located on the northwest corner of Georgia Avenue and Adams Street on the Western State Colorado University campus, in Gunnison, Colorado 81231 (the "2006 Facilities"); (b) current refunding the Gunnison County, Colorado Revenue Bond (Western State College Foundation Project) Series 2009, issued in an aggregate amount of $6,120,000 (the "Series 2009 Bond" and together with the 2006 Bond, the "Refunded Bonds") which financed a portion of the construction of the student center building located at 600 North Adams, on the Western State College of Colorado campus, in Gunnison, Colorado 81231 (the "2009 Facilities" and together with the 2006 Facilities the "Refinanced Facilities"; and (c) paying costs of issuance of the 2012A Bond (collectively, the "Refunding Project").

The 2012A Bond was issued by the County pursuant to the terms of an Indenture of Trust, dated as of April 1, 2012 (the "Indenture"), by and between the County and Wells Fargo Bank, National Association, as trustee thereunder (the "Trustee") and by a loan of the proceeds thereof (the "Loan") to WSCUF upon the terms and conditions set forth in the Loan Agreement, dated as of April 1, 2012 (the "Loan Agreement"), by and between the County and WSCUF. WSCUF desires to amend certain terms of the 2012A Bond, the Indenture and the Loan Agreement and such amendments will cause the 2012A Bond to be deemed reissued pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). The 2012A Bond as reissued will be referred to herein as the "Bond." Wells Fargo Bank, National Association (the "Purchaser") proposes to directly purchase the Bond from the County. The Bond will not be publicly offered and there will be restrictions relating to the transfer of the Bond.

In order to amend the Indenture, a First Supplemental Indenture of Trust, dated as of June 1, 2015 (the "First Supplemental Indenture"), by and between the County and the Trustee will be executed and in order to amend the Loan Agreement, a First Amendment to the Loan Agreement, dated as of June 1, 2015 (the "First Amendment to Loan Agreement"), by and between the County and WSCUF will be executed. The Indenture and the First Supplemental Indenture will be referred to herein as the "2015 Indenture". The Loan Agreement and the First Amendment to Loan Agreement will be referred to herein as the "2015 Loan Agreement."

The provisions governing the Bond are contained in the 2015 Indenture. Pursuant to the 2015 Indenture, the County will pledge and assign all of its rights under the 2015 Loan Agreement to the Trustee for the benefit of the registered owner of the Bond (except for its rights to receive reimbursement for its expenses and its indemnification rights). Pursuant to the 2015 Loan Agreement, WSCUF will agree to repay the Loan and the Bond by pledging certain of its revenues and assets to the repayment of the Loan and the Bond. The repayment of the Loan by WSCUF from its revenues and assets is the only security for the repayment of the Bond.

The County is not permitted by the Act to assume any financial liability or obligations with respect to the Loan, the Bond or the Refunding Project. The Bond Resolution to be considered for adoption by the County's Board of County Commissioners (the "Board") will provide and the Bond will state on its face that the payment of the principal, premium, if any, and interest on the Bond will constitute a special, limited obligation of the County payable solely from the payments received from WSCUF on the Loan. The Bond will not constitute the debt or indebtedness of the County within the meaning of any provision or limitation of the State constitution or statutes and will not constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power. The Bond and the premium, if any, and interest thereon will never be deemed to be an obligation or agreement of any commissioner, officer, agent or employee of the County in such person's individual capacity, and none of such persons will be subject to any liability by reason of the issuance of the Bond. The Bond and the

premium, if any, and interest thereon do not constitute a loan, credit or pledge of the faith and credit or taxing power of the County, the State or any political subdivision thereof.

WSCUF will be obligated under the 2015 Loan Agreement to pay all of the fees, expenses and charges of the County related to the Bond. In addition, pursuant to the 2015 Loan Agreement, WSCUF will agree to indemnify and hold the County harmless from any liability relating to the Bond and the Refunding Project. The County will not have any financial or legal risk or exposure relating to the Bond or the Refunding Project.

The Bond will not be a debt of the County and therefore will not diminish the County's debt capacity. The issuance of the Bond and the financing of the Refunding Project will not impact upon the County's credit rating.

The Bond is being issued pursuant to Section 145 of the Code as a "qualified 501(c)(3) bond" and will not require any private activity bond volume cap allocation. The Bond will, however, count against the County's 2015 "bank eligibility" limit set forth in Section 265 of the Code.

Thank you very much for providing me with this opportunity to be of service to you. Please do not hesitate to contact me if you have any additional questions or require more information with respect to the Bond or this transaction.

With best wishes,

Sincerely yours,

Frederic H. Marienthal