**[NAME OF ISSUER]**

**MUNICIPAL BOND POLICY MANUAL**

**Practices and Procedures**

**To Ensure Continuing, Post-Issuance, Compliance**

**With Federal Tax and Securities Laws**

**Relating to Tax Exempt Municipal Bonds**

**And Other Governmental Borrowings**

**ADOPTED , 20**

**I. PURPOSE** **OF THIS POLICY MANUAL**

The [Municipal Government Bond Issuer] (the “Issuer”) has in the past and expects in the future to borrow money to finance the costs of capital projects, including equipment, as well as, on occasion, the costs of operations. The Issuer also expects to refinance indebtedness, when financial circumstances allow or require the same. The execution and delivery of legal documents which represent the lending of credit is referred to herein as a “Borrowing.”

Borrowings have, and can take, many forms, from a simple financing lease, to a bank loan, to the issuance of bonds. The placement of such Borrowings with creditors encompasses many different legal arrangements, from a lease purchase contract with an equipment vendor, to a promissory note with a bank, and to a bond underwriting through an investment banking firm. Creditors may be single, identified and sophisticated, in the case of a bank or a manufacturing corporation, or they may be many, unknown and “unsophisticated” (in the eyes of the law), in the case of a public bond offering. Finally, Borrowings can be “taxable” under federal income tax laws but are, more often, “tax-exempt”. This important designation means that the interest to be earned by the creditor or investor is *not* subject to income tax in the hands of that creditor or investor, *so long as the Issuer complies with federal tax law*.

Since the 1970’s, federal tax laws have been developed to ensure that municipal governments which avail themselves of the lower interest rates associated with tax-exempt Borrowings are restricted in their use and investment of the proceeds of such Borrowings, so that (with limited exceptions) no positive gain (or “arbitrage”) can be achieved. Additionally, since the 1990’s, federal securities laws have been developed to ensure that investors in municipal government debt have full, open and public access to the financial records and results of operations of municipal governments, to enable such investors to make informed investment decisions.

Generally, the federal income tax laws which govern tax-exempt municipal government Borrowings are found at §103, §§141 through 150, and §265 of the Internal Revenue Code of 1986, as amended, along with related Treasury Regulations (for purposes of this Policy Manual, together, the “Code”). The federal securities laws which govern the offering and sale of *(both* tax-exempt and taxable) municipal government Borrowings are found within (“anti-fraud”) Rule 10(b)(5) and (“continuing disclosure”) Rule 15c2-12 of the Securities and Exchange Commission. Additionally, the SEC has granted certain regulatory and enforcement authority to an adjunct entity, the Municipal Securities Rulemaking Board (the “MSRB”) (for purposes of this Policy Manual, such two Rules, along with directives of the MSRB, all together, the “Rules”).

A review of Borrowing records should reveal a tax certificate, a continuing disclosure agreement and other documentation as prepared by bond or tax counsel at that time (“Closing Documents”). Closing documents are an important record of the particulars of the Borrowing and contain specific information regarding the Issuer’s duties relative to the Borrowing. However, Closing Documents are not always, by themselves, a complete guide or sufficient instruction for fulfilling those duties.

***The Purpose of this Policy Manual******is*** *to establish general practices and procedures to supplement the specifics of particular Closing Documents, in order to ensure* ***continuing,******post-issuance,******compliance with*** *requirements of: (a)* ***the Code****, that are necessary in order to maintain the tax-exempt status of the tax-exempt Borrowings of the Issuer;* ***and*** *(b)* ***the Rules****, regarding public disclosure of annual financial information and operating data, along with material events, if and when they occur.*

**II. COMPLIANCE OFFICER**

**A. DESIGNATION**

The [Director/Manager of Business/Financial Affairs] (the “Compliance Officer”) is hereby designated by the [Board (of Directors)/Commission/Council] (the “Governing Body”) of the Issuer as the person responsible for achieving continuing, post-issuance, compliance by the Issuer with the requirements of the Code and the Rules as they apply to each one and the several outstanding Borrowings of the Issuer.

**B. GENERAL DUTIES**

**1. Records.** As of the date of adoption of this Policy Manual, the outstanding Borrowings of the Issuer are enumerated on Exhibit A hereto. *The* ***first General Duty*** *of the Compliance Officer* shall be to obtain and preserve a full and complete transcript of Closing Documents executed in connection with, or otherwise related to and bearing upon, each Borrowing, and to revise and update Exhibit A not later than ten (10) days following the execution and delivery of final documents (i.e., the “Closing”) of any future Borrowing(s).

**2. Education.** *The* ***second General Duty*** *of the Compliance Officer* shall be to acquire and maintain a basic comprehension of the Code and the Rules adequate to ensure that no act committed, nor any act omitted or failed to be performed, by the Issuer, or by its Governing Body, or by any of its officials, officers, representatives or agents, could cause or facilitate a violation of the Code or the Rules.

**3. Enforcement.** In the event the Compliance Officer learns of, or has reason to suspect, any such act or omission, or the potential therefor, *the* ***third General Duty*** *of the Compliance Officer* shall be, without delay, both: (1) to undertake and do all things commensurate with the ordinary power and authority of his/her office in order to avoid, or mitigate the consequences of, any such violation, including the engagement of bond counsel, as provided below, and (2) to promptly advise the Governing Body of such act, omission or potential for the same, in order that the Governing Body can take appropriate action.

In order to acquire and maintain the knowledge necessary to ensure against violations of the Code and the Rules, the Compliance Officer is directed to subscribe to and to attend and participate in, and the Issuer shall pay or reimburse the attendant costs of, such publications, periodicals, classes, seminars and conferences as shall be necessary and appropriate thereto. All officials, officers, representatives or agents of the Issuer possessing or knowing such financial, accounting and project development records, reports, account statements, audits and other similar data and information which may be relevant or useful to the satisfaction, by the Compliance Officer, of the duties set forth in this Policy Manual are hereby directed, upon request of the Compliance Officer, to turn over, provide and make the same available to the Compliance Officer at reasonable and convenient times. Finally, the Issuer authorizes and directs the Compliance Officer to engage and consult with such legal counsel (herein, “bond counsel”) as shall be recognized within the municipal finance industry for his/her/their knowledge of the Code and the Rules (the listing of any such person or firm in the National Directory of Municipal Finance Attorneys, the so-called “Red Book,” shall be evidence of such competency) that the Compliance Officer deems necessary to ensure compliance by the Issuer with the practices and procedures set out in this Policy Manual.

**C. SPECIFIC DUTIES; ACTION DEADLINES**

The Compliance Officer shall have the following Specific Duties and shall complete them, or shall perform the actions indicated, not later than the deadlines noted.

The Basic Rules set forth in this Section C are intended only to provide the Compliance Officer with the legal context and general orientation of a particular duty. Such Rules are *not* intended to represent comprehensive legal advice as to particular circumstances or the applicability of certain exceptions; specific legal advice should be sought from bond counsel.

 **1. MONITORING EXPENDITURES**

**a.For Capital Projects**

Basic Rule*: Proceeds of a Capital Project Borrowing which remain unexpended at the Three Year Anniversary may no longer be invested at market yields.*

Whether or not directly responsible for the development of the project(s), the award of contracts, or the review or approval of requisitions, *the Compliance Officer shall* nonetheless obtain and review all such contracts, requisitions and similar project documents, in order to (a) monitor the progress of the expenditure of the original, and investment, proceeds of the Borrowing, and to (b) compare such progress to the Issuer’s certification under the Code that 85% of the proceeds of the Borrowing are expected to be expended by the Three Year Anniversary; such monitoring shall continue until such time as (c) all such original, and investment, proceeds are fully expended.

For this purpose, “original proceeds” means all moneys generated by, or coming into the possession of the Issuer for its use and application towards the project as a direct result of, the Borrowing, and “investment proceeds” shall mean such further income and receipts generated as interest, profits and other earnings from the investment of the original proceeds.

*The Compliance Officer* *shall* perform such expenditure review and monitoring not less often than *once every three months*, by the day of the month which is the anniversary of the date of the Borrowing. This review and monitoring of expenditures shall apply to and encompass each and every project or construction fund or account which contains a deposit of original, or investment, proceeds of the Borrowing, including any such account which may be administered by an entity related, subordinate or subsidiary to the Issuer, or otherwise a beneficiary of the Borrowing.

In the event the proceeds of any Capital Project Borrowing are not fully expended (or are not reasonably forecast to be fully expended) by the Three Year Anniversary, *the Compliance Officer shall*, within ten (10) days of such determination, consult with bond counsel to determine what actions may be necessary to preserve the tax-exempt character of the Borrowing. The Code contains certain exceptions to the general three year expenditure rule; however, the Compliance Officer shall not judge the applicability of such exceptions or determine needed actions except upon consultation with bond counsel.

**b. For Working Capital**

Basic Rule: *Proceeds of a Working Capital Borrowing should be fully expended within six (6) months.*

In the event the proceeds of the Borrowing have been deposited to a general, revenue or operations, fund of the Issuer, pending expenditure for current expenses or daily operations and governmental activities, *the Compliance Officer shall* monitor the progress of the expenditure of the original, and investment, proceeds of the Borrowing, applying, in all cases, an accounting methodology that treats such proceeds as “spent last” – following the complete prior expenditure of all available general revenues and reserves. *The Compliance Officer shall* perform such review and monitoring by a date not later than the Six Month Anniversaryof the date of the Borrowing.

In the event the proceeds of any Working Capital Borrowing are not fully expended (or are not reasonably forecast to be fully expended) by the deadline described above, *the Compliance Officer shall*, within ten (10) days of such determination, consult with bond counsel to determine what actions may be necessary to preserve the tax-exempt character of the Borrowing. The Code contains certain exceptions to the general six month expenditure rule; however, the Compliance Officer shall not judge the applicability of such exceptions or determine needed actions except upon consultation with bond counsel.

**c. For Refundings**

Basic Rule: *Proceeds of a Borrowing for a Current Refunding may be invested at market rates during the (not more than) ninety (90) days preceding the payment of the prior indebtedness; proceeds of a Borrowing for an Advance Refunding may not be invested at market rates at any time.*

In the event of a “current” refunding, whereby the proceeds of the Borrowing are expected to be applied to the payment and discharge of a prior indebtedness within ninety (90) days of the date of the Borrowing, *the Compliance Officer shall* review Closing Documents and related instructions to ensure that such payment, and the consequent expenditure of the proceeds of the Borrowing, does in fact occur within said ninety (90) days, or that reasonable procedures have been instituted to ensure the same. In the event of an “advance” refunding, whereby the proceeds of the Borrowing are NOT expected to be applied to the payment and discharge of a prior indebtedness within ninety (90) days of the date of the Borrowing, *the Compliance Officer shall* review Closing Documents and related instructions to ensure that any investment of the proceeds of the Borrowing, pending their full expenditure for the payment and discharge of the prior indebtedness, is made at a yield not in excess of the yield of the Borrowing. In this regard, the Compliance Officer shall consult with, and is entitled to rely on, the Closing Documents prepared by, and advice rendered by, bond counsel.

 **Caveat**: the types and purposes of the Borrowings described in 1.a., 1.b. and 1.c. above are not exclusive; more than one purpose may be encompassed within a single Borrowing. The Compliance Officer shall distinguish among the several purposes which may be encompassed within a single Borrowing, and perform his/her duties appropriate to each portion of the Borrowing.

 **2. MONITORING INVESTMENTS**

**a. For Capital Projects**

Basic Rule: *While Proceeds of a Capital Project Borrowing may legally be invested at market rates during the initial three (3) year period, earnings in excess of the Arbitrage Yield may need to be paid and rebated to the United States, absent the applicability of one of several spending exceptions.*

Whether or not the Compliance Officer has selected investments, or is managing the proceeds of the Borrowing, or has reviewed the legality or suitability of particular investments or investment arrangements, *the Compliance Officer shall* nonetheless obtain and review records of all investments, investment arrangements and investment agreements or contracts, in order both to (a) monitor and record the yield and performance of all investments which constitute proceeds of the Borrowing, and to (b) compare the same to the Arbitrage Yield of the Borrowing; such monitoring shall continue until such time as (c) all proceeds are fully expended.

For this purpose, “proceeds of the Borrowing” includes original proceeds, investment proceeds (both as defined in 1.a. above) *and* any and all moneys held or controlled by the Issuer, directly or indirectly, as a result of the Borrowing, including moneys which may be reserved or pledged for the repayment of the Borrowing. Thus, in the example of a bond issue for new construction, which included the funding of a portion of the interest expense on the Borrowing until the facility was to be placed in service, and also the collection of assessments from property owners being served by the new facility, for prepayment of a portion of the bond issue, “proceeds of the Borrowing” would include moneys in each of the construction, debt service and redemption funds.

Not later than on the date of Closing, and within ten (10) days of any event or change in circumstances which suggests that the Issuer may possess proceeds of the Borrowing not previously anticipated, *the Compliance Officer shall* consult with bond counsel in order to determine the complete and exact amount of proceeds of the Borrowing which must be monitored.

 *The Compliance Officer shall* examine the apparent yield on all proceeds of the Borrowing and shall compare that value to the Arbitrage Yield not less often than *once a month* (the exact date of such cycle to be selected by the Compliance Officer, by reference, for example, to the production/receipt/availability of bank or other deposit account statements).

In the event that the Compliance Officer determines, as a result of clear and convincing mathematical evidence, that the yield on the proceeds of the Borrowing has been less than the Arbitrage Yield, the Compliance Officer need take no further action. In the event that the Compliance Officer determines, to his reasonable satisfaction (or uncertainty), that the yield on the proceeds of the Borrowing has been nearly equal to or possibly greater than the Arbitrage Yield, *the Compliance Officer shall, not later than the One Year Anniversary of the Borrowing*, engage a firm of certified public accountants, or other specialists in the delivery of arbitrage rebate compliance services (an “arbitrage specialist”), to produce a mathematical analysis and comparison of the yield on the proceeds of the Borrowing to the Arbitrage Yield. In the event such analysis determines that the Issuer owes a rebate of arbitrage earnings to the United States of America, *the Compliance Officer shall* promptly notify the Governing Body in order that funds for such payment may be reserved, as directed by bond counsel or the arbitrage specialist.

Thereafter, *the Compliance Officer shall* consult with and follow the directions of bond counsel, and/or the arbitrage specialist, and shall pay to the United States of America, *not later than sixty (60) days following the Five Year Anniversary*, that amount determined to be due and owing as a rebate of arbitrage earnings. This process of annual review/reservation of funds, and fifth year payment, shall continue until the final maturity of the Borrowing and the final payment of arbitrage rebate, as directed by bond counsel or the arbitrage specialist.

**b. For Working Capital**

Basic Rule: *Proceeds of a Working Capital Borrowing may be invested at market rates during the initial six (6) month period.*

 *The Compliance Officer shall* examine the apparent yield on all proceeds of the Borrowing and shall compare that value to the Arbitrage Yield not less often than *once a month* (the exact date of such cycle to be selected by the Compliance Officer, by reference, for example, to the production/receipt/availability of bank or other deposit account statements).

In the event that the Compliance Officer determines, as a result of clear and convincing mathematical evidence, that the yield on the proceeds of the Borrowing has been less than the Arbitrage Yield, the Compliance Officer need take no further action. In the event that the Compliance Officer determines, to his reasonable satisfaction (or uncertainty), that the yield on the proceeds of the Borrowing has been nearly equal to or possibly greater than the Arbitrage Yield, *the Compliance Officer shall, not later than the Six Month Anniversary of the Borrowing*, engage a firm of certified public accountants, or other specialists in the delivery of arbitrage rebate compliance services (an “arbitrage specialist”), to produce a mathematical analysis and comparison of the yield on the proceeds of the Borrowing to the Arbitrage Yield. In the event such analysis determines that the Issuer owes a rebate of arbitrage earnings to the United States of America, *the Compliance Officer shall* promptly notify the Governing Body in order that payment may be made, as directed by bond counsel or the arbitrage specialist.

**c. For Refundings**

If the Borrowing complies with the requirements of 1.c., no investment monitoring is required. If not, *the Compliance Officer shall* immediately consult with bond counsel.

# **3. MONITORING USE OFASSETS**

# Basic Rule: *In the event that a private person or business, or some legal entity other than the Issuer, uses, or directs the use of, or benefits from, the proceeds of the Borrowing, or the project or assets financed by the Borrowing (other than as a member of the general public), the Borrowing could be declared taxable.*

# Generally (although the Code contains certain allowances and exceptions), no more than 10% of the proceeds of any Borrowing, nor more than 10% of the assets financed by the Borrowing, may be used for private business use, nor may the proceeds of a Borrowing be used to make or finance a loan to a private person. “Private business use” means use by any person other than a state or local government unit. “Person” includes individuals, corporations, partnerships, limited liability companies, associations, nonprofit corporations, and even the United States of America and any federal agency. “Use” means the ability or opportunity to utilize the asset in a private or limited, non-public, fashion, especially in a trade or business and includes such common arrangements as a lease, management or service contract, output, sponsorship, research and “naming rights” contracts, “public-private partnership” arrangement, or any similar arrangement that confers special legal entitlements or financial benefits (whether direct or indirect, tangible or intangible) for the use of the asset financed by the Borrowing.

## In the example of a fully equipped kitchen within a community hall situated at a public park, use of the kitchen equipment on a transient basis by volunteers to provide lunch to members of a women’s club during monthly social meetings would likely not constitute private business use, while use of the same equipment under lease by a caterer to provide the same lunch to said women’s club members for a fee would likely constitute private business use.

## Before entering into any arrangement, formal or informal, with a nongovernmental person that involves the use of an asset financed by a Borrowing, other than use by a person as a member of the general public for the purposes for which the asset was intended, *the Compliance Officer shall* consult with bond counsel in order to determine the permissibility of such arrangement. Even when permitted, the Compliance Officer shall maintain complete and thorough records of such nongovernmental uses of assets financed by a Borrowing, including copies of the pertinent leases, contracts or other similar documentation.

**4. FINANCIAL DISCLOSURE AND REPORTING**

**a. Ordinary**

Basic Rule: *The Issuer must post its audits and (possibly) certain results of operations to a public website, yearly.*

Once a year, not later than ten (10) days following completion, approval and public release of the Issuer’s annual financial statements, audit and/or CAFR, and in all events not later than [March 31/September 30] of each year during the term of any Borrowing to which the Rules apply, *the Compliance Officer shall* (1) review and consult the Continuing Disclosure Agreement, Continuing Disclosure Certificate or other similar Closing Document which embodies the Issuer’s duties as an obligated person under SEC Rule 15c2-12 (the “Disclosure Mandate”), and shall (2) disclose to the public, pursuant to the procedures and methodology described in Disclosure Mandate, the Issuer’s Annual Financial Information and Operating Data, as such information is defined, described and/or required in or by the Disclosure Mandate. In the event the Disclosure Mandate does not contain procedures and methodology for public disclosure, or in the event the procedures and methodology described in the Disclosure Mandate are outdated or no longer applicable, the Issuer shall effect public disclosure by accessing, and uploading and posting relevant information to, the MSRB’s Electronic Municipal Market Access system (“EMMA”), according to the instructions therefor set forth at *www.emma.msrb.org*.

 **b. Extraordinary**

 Basic Rule: *The Issuer must post the details of certain (negative) financial events to a public website, if and when they occur.*

Not later than ten (10) days following the occurrence of any one of the several Material Events enumerated and defined in the Rules or the Disclosure Mandate, the Compliance Officer shall compose a Notice of Material Event and shall disclose the Notice of Material Event to the public, pursuant to the procedures and methodology described in Disclosure Mandate. In the event the Disclosure Mandate does not contain procedures and methodology for public disclosure, or in the event the procedures and methodology described in the Disclosure Mandate are outdated or no longer applicable, the Issuer shall effect public disclosure by accessing, and uploading and posting the Notice of Material Event to EMMA, according to the instructions therefor set forth at *www.emma.msrb.org*.

**c. Gag Rule**

Basic Rule: *The public has a right to expect complete and truthful, and only complete and truthful, financial information at all times.*

Except as required by the Disclosure Mandate, except as ordinary and incidental to a prospective Borrowing, except as ordered or required by superior governmental authorities and except as mandated by laws regulating public records access, neither the Compliance Officer, nor any member of the Governing Body, nor any official, officer, representative or other agent of the Issuer shall, at any time, provide, release, review, discuss, analyze, forecast, evaluate, assess, comment upon or otherwise publish, make public, distribute or disseminate the Issuer’s Annual Financial Information or Operating Data, or other similar data or financial information which reveals, discusses or describes the Issuer’s financial affairs or results of operations, or expectations thereof, unless and until such person has consulted with, and follows the advice of, bond counsel relative to such release of information.

**5. RECORDS RETENTION**

*The Compliance Officer shall* be responsible for maintaining the following documents and records (which may be in electronic form) for the term of each Borrowing, and for at least six (6) years thereafter:

a. The Closing Documents and other relevant documentation delivered to the Issuer at or in connection with the Closing of each Borrowing, as described in B. above;

b. All account statements, ledgers, spreadsheets and similar accounting records and documents relating to capital expenditures financed or refinanced by a Borrowing, including (without limitation, as supporting information) all construction contracts, purchase orders, invoices, requisitions and payment records, as well as documents relating to costs reimbursed with a Borrowing and records identifying the assets or portion of assets that are financed or refinanced with a Borrowing, including a final allocation of proceeds;

c. All account statements, ledgers, spreadsheets and similar accounting records and documents relating to investments, investment agreements, purchases and sales of investments made with proceeds of Borrowings, copies of all bidding documents or other documentation used to establish the fair market value of investments upon purchase and receipts of earnings on those investments, and underlying documents, in connection with any investment agreements, all reports of any arbitrage specialist, and correspondence and opinions of bond counsel in connection with any investment;

# d. All reports of any arbitrage specialist, calculations that will be sufficient to demonstrate the expenditure of proceeds, calculations that will be sufficient to demonstrate that the rebate amount, if any, that was payable to the United States of America in respect of investments made with gross proceeds of that Borrowing and records showing that such rebate amount, if any, was paid and a Form 8038-T filed with the IRS on a timely basis and correspondence and opinions of bond counsel in connection with any of the preceding; and

e. such other information and records as required by the Closing Documents.

**III. REMEDIAL ACTION IN THE EVENT OF NON-COMPLIANCE**

## **A. CODE VIOLATIONS**

## Currently available remedies for certain violations of the Code include:

### 1. for certain violations of the rebate and arbitrage rules, the Issuer can pay a penalty under Treasury Regulation §1.148-3(h) or make yield reduction payments under Treasury Regulation §1.148-5(c).

### 2. for certain violations of the restrictions on private business use, Treasury Regulation §1.141-12 sets forth certain remedial actions which can be taken following a deliberate action which causes private business use, including redemption of the Borrowing, alternative use of proceeds and alternative use of financed facilities, all subject to various conditions. Certain remedies must be taken by the date of the deliberate action or shortly thereafter (within 90 days, for example, for redemptions).

### Additionally, the Internal Revenue Service has a voluntary closing agreement program for tax-exempt debt (“TEB VCAP”) which allows the Issuer to voluntarily resolve violations of the Code or applicable regulations through closing agreements with the Internal Revenue Service. TEB VCAP is not available when: (i) absent extraordinary circumstances, the violation can be remediated under existing remedial action provisions or other tax-exempt bond closing agreement programs; (ii) the Borrowing is under examination; (iii) the tax-exempt status of the Borrowing is at issue in any court proceeding or is being considered by the IRS Office of Appeals; or (iv) the Internal Revenue Service determines that the violation was due to willful neglect.

## **B. RULES VIOLATIONS**

## Currently available remedies for certain violations of the Rules include:

 1. for certain failures to disclose Annual Financial Information and Operating Data, the prompt disclosure of such failure as a Material Event filing, along with disclosure and explanation of the circumstance in the public securities offering document next published by the Issuer in connection with its next Borrowing.

 2. for the release of materially incorrect financial information, or the failure to release material information which failure causes, or could reasonably be expected to cause, an investor to reach an incorrect conclusion about material financial information, the entry into cease and desist or other administrative enforcement orders or proceedings with the MSRB or the SEC.

**IV. USE AND INTERPRETATION OF THIS POLICY MANUAL**

This Policy Manual is intended to assist the Issuer, through its Compliance Officer, in fulfilling its post-issuance duties under the Code and the Rules, in order to avoid or limit its own financial and legal liabilities. This Policy Manual is intended for the protection and benefit of the Issuer and the Issuer alone, and is not intended for the benefit of any third party. This Policy Manual does not constitute a covenant with the holder of any Issuer Borrowing. This Policy Manual may be modified, replaced or rescinded by the Governing Body of the Issuer at any time, and with or without notice to any third party.

This Policy Manual, and its practices and procedures, shall be implemented in conjunction with Closing Documents that are part of each Issuer Borrowing. This Policy Manual is not a substitute for the specific compliance requirements related to each Borrowing contained in the applicable Closing Documents. The Compliance Officer shall review the Closing Documents in connection with each Borrowing and shall consult with bond counsel as to monitoring ongoing compliance with the requirements contained in the applicable Closing Documents. In the event of any conflict between this Policy Manual and actual Closing Documents, the Closing Documents should control, unless otherwise determined by the Compliance Officer after consultation with bond counsel. Moreover, this Policy Manual only speaks to the status of the law as of its date, and cannot be a complete substitute for appropriate consultation with competent legal counsel.

**EXHIBIT A**

**OUTSTANDING BORROWINGS**

Name/ Special

Amount Purpose Features

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Name/ Special

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 Date Arbitrage Six Month Three Year Five Year Of Closing Yield Anniversary Anniversary Anniversary

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6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 Date Arbitrage Six Month Three Year Five Year Of Closing Yield Anniversary Anniversary Anniversary

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Amount Purpose Features

7. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 Date Arbitrage Six Month Three Year Five Year Of Closing Yield Anniversary Anniversary Anniversary

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8. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 Date Arbitrage Six Month Three Year Five Year Of Closing Yield Anniversary Anniversary Anniversary

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9. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 Date Arbitrage Six Month Three Year Five Year Of Closing Yield Anniversary Anniversary Anniversary

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