

VMBB Post-Issuance Compliance Division of Responsibilities

Responsibility	Governmental Unit (GU)	VMBB	Disbursing Agent (DA)	VMBB Trustee (T)
Bond Proceeds	GU expends proceeds in accordance with the Loan Agreement and Tax Certificate subject to the requisition procedures set forth in the Loan Agreement.	Executive Director engages Rebate Consultant in accordance with Debt Management Policy	Deposited with the DA on behalf of the GU into individual GU investment and disbursement accounts (GU Project Accounts).	Deposited with T on behalf of VMBB for Reserve Fund and costs of issuance
Bond Closing/Loan Documents	Filed internally by the GU & local bond counsel.	Filed internally by the VMBB and bond counsel by GU/Series, including Post-Issuance Compliance Checklist	Copies filed with and retained for life of the bond series + 3yrs	Copies filed with and retained for life of the bond series + 3yrs
Investment of Unspent Loan Proceeds	GU directs DA regarding investment.	Copies filed with VMBB; Executive Director reviews statements	Invested by the DA pursuant to Loan Agreement which shall be consistent with VMBB Policy. Investment earnings deposited to the GU's account with the DA	N/A
Investment of Unspent Bond Proceeds (e.g. DSRF)	N/A	Executive Director reviews investment of proceeds and consults with Rebate Consultant	N/A	Invested by T pursuant to the Series Resolution and VMBB Policy
Written Procedures	Sample procedures provided to GU by local counsel for adoption/ratification at each issuance, including employee/official responsibility for implementing the local procedures. Adopted procedures forwarded to the VMBB and local bond counsel. June 1 st , GU annually files certification with VMBB and local bond counsel that procedures are being followed. See <u>Exhibit B</u>	GU procedures/certification reviewed by VMBB. Before June 30 th , VMBB annually reviews procedures to insure they still meet IRS requirements. Filed and stored according to GU/bond series - Life of the bond series + 3 years.	Receives file copies to be retained for life of the bond series +3yrs	Receives file copies to be retained for life of the bond series +3yrs

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Allocation of Proceeds to Project Expenses	June 1 st of each year, GU files a report with the VMBB and local bond counsel detailing the allocation of bond proceeds to the approved projects within the later of 18 months of the expenditures or the date the project is placed in service.	Before June 30 th of each year, VMBB reviews the report and compares against the approved projects. Reports filed with the DA. Filed and stored by GU/bond series - Life of the bond series + 3 years.	Copies filed with and retained for life of the bond series + 3yrs	Receives file copies to be retained for life of the bond series +3yrs
Loan Proceeds Expended for the Approved Purpose.	GU will certify to and submit a "Payment Requisition" and attach supporting invoices. See <u>Exhibit A</u> . GU will retain copies of all Project Bid Documents, Construction Contracts, Invoices and documents including documents related to Bond Anticipation Notes to be reimbursed with proceeds of the Bonds.	Receives file copies to be retained for life of the bond series +3yrs	DA will review the Requisition for conformance to the Form of Requisition and attachment of supporting documents. If conforming, DA will issue a reimbursement check and file the requisition documents according to GU/bond series to be retained for the life of the bond series + 3 years. Requisitions will not be honored until all documents are received.	Receives file copies to be retained for life of the bond series +3yrs
Monthly Bank Account Statements filed with the GU and VMBB.	Statements used for GU accounting data entry.	VMBB reviews statements against relevant spending schedules (e.g. 6-month, 18-month, 2 yr rebate exceptions) and 36-month temporary period. Local and VMBB bond counsels alerted if spending timelines not being met.	DA generates the monthly statements reports, including % spent to date. Copies filed and retained for life of the bond series + 3yrs	N/A

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Final Project Completion Report	Annually file status report with the VMBB until project is completed. Upon project complete, GU files Certificate of Completion with DA and VMBB.	VMBB sends out annual reminder. Report reviewed by the VMBB and forwarded to the DA.	Filed and stored according to GU/bond series - Life of the bond series + 3 yrs.	Receives file copies to be retained for life of the bond series +3yrs
Private Use, Lease and/or Sale of Project Assets	Annually file certification with the VMBB and local bond counsel as to the use of project facilities. See Exhibit A.	VMBB sends out annual reminder. Report reviewed by the VMBB and forwarded to DA. Potential problems forwarded to local and VMBB bond counsels.	Filed and stored according to GU/bond series - Life of the bond series + 3 yrs.	Receives file copies to be retained for life of the bond series +3yrs
Excess Loan Proceeds (proceeds remaining after "Project Completion")	In consultation with local bond counsel and in accordance with the Loan Agreement, GU decides on appropriate use of excess proceeds and files decision with the VMBB.	VMBB forwards the "Use of Excess Bond Proceeds" report to bond counsel and the DA.	DA yield restricts the investments until the bond proceeds are fully expended.	N/A
Timely Identification and Remediation of Noncompliance	Within 10 days of notice of non-compliance, GU and local bond counsel determine appropriate course of remedial action to be taken with the IRS.	GU/local bond counsel keeps the VMBB and its bond counsel informed of noncompliance and proposed remediation. VMBB consults with bond counsel and determines corrective measures within 60 days of discovery.	Receives file copies to be retained for life of the bond series +3yrs	Notice and copies filed and retained for life of the bond series +3yrs