

Direct Pay Bonds Compliance Check Questionnaire

We are asking for information regarding your Direct Pay Bonds, post-issuance bond compliance and record retention practices. Please complete the questionnaire and follow the instructions in the accompanying letter for returning it to us. Please note that section references in this questionnaire are to sections of the Internal Revenue Code unless otherwise indicated. For all accompanying documentation, please clearly label the question to which it relates.

Name of Governmental Entity: _____

Employer Identification Number: _____

1. Do you have written procedures to ensure that none of the maturities of your Direct Pay Bonds are issued with more than a de minimis amount of premium as required by section 54AA(d)(2)(C)? Yes No

If Yes, date they were implemented? _____ (dd/mm/yyyy)

If Yes, describe in detail your procedures for ensuring compliance with such de minimis rule and how you implement such procedures, including dates of revisions, if any. In lieu of the above description, you may attach a copy of your written procedures. If you have no written procedures, explain what guidelines you have in place and from what source these guidelines are derived that ensure Direct Pay Bonds issued with premium fall within the de minimis rule. (*Attach sheet with description*)

2. Are records of secondary market trading activity for your Direct Pay Bonds available through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System (*see <http://www.emma.msrb.org>*)? Yes No Do not know

If Yes, did you or a consultant to the issuer, other than the underwriter or initial purchaser of the Direct Pay Bonds, review the records of the secondary market trading activity for the Direct Pay Bonds after the sale date of the bonds but before the bonds were delivered on the date of issue? Yes No Do not know

If Yes, that is, if such records were reviewed as described above, did any of your Direct Pay Bonds trade at a price greater than the issue price prior to the delivery of those Direct Pay Bonds on the date of issue? Yes No Do not know

3. Do you have written procedures to ensure that your Direct Pay Bonds remain in compliance with the following Federal tax requirements after the bonds are issued:

- a. Timely expenditure of bond proceeds? Yes No
If Yes, date they were implemented? _____ (dd/mm/yyyy)
- b. Correct calculation of Available Project Proceeds (See section 54A(e)(4))? Yes No
If Yes, date they were implemented? _____ (dd/mm/yyyy)
- c. Use of 100% of Available Project Proceeds less amount in a reasonably required reserve fund only for capital expenditures (See section 54AA(g)(2)(A))? Yes No
If Yes, date they were implemented? _____ (dd/mm/yyyy)
- d. Arbitrage yield restriction and rebate? Yes No
If Yes, date they were implemented? _____ (dd/mm/yyyy)
- e. Costs of issuance financed by the issue do not exceed 2% of the proceeds of sale (See section 54A(e)(4)(A)(ii))? Yes No
If Yes, date they were implemented? _____ (dd/mm/yyyy)
- f. Proper determination of the amount of interest payable on each interest payment date? Yes No
If Yes, date they were implemented? _____ (dd/mm/yyyy)
- g. Proper amount of refundable credit reported on Form 8038-CP? Yes No
If Yes, date they were implemented? _____ (dd/mm/yyyy)
- h. Timely filing of Form 8038-CP? Yes No
If Yes, date they were implemented? _____ (dd/mm/yyyy)
- i. Payment of refundable credit will be made to the proper person? Yes No
If Yes, date they were implemented? _____ (dd/mm/yyyy)

If Yes, describe in detail your procedures for each of the above items (a-i) and how you implement such procedures, including dates of revisions, if any. In lieu of the above descriptions, you may attach a copy of your written procedures. If you have no written procedures, explain what guidelines you have in place and from what source these guidelines are derived that ensure bond financings are in compliance with Federal tax requirements. (Attach sheet with description)

4. Do you have written procedures to ensure timely identification of violations of Federal tax requirements after your Direct Pay Bonds are issued and the timely correction of any identified violation(s) through remedial actions described in the Treasury Regulations or through the Tax Exempt Bonds Voluntary Closing Agreement Program described under Notice 2008-31? Yes No

If Yes, date they were implemented? _____ (dd/mm/yyyy)

If Yes, describe in detail your procedures for timely identification and correction of any such violations and how you implement such procedures, including dates of revisions, if any. In lieu of the above description, you may attach a copy of your written procedures. If you have no written procedures, explain what guidelines you have in place and from what source these guidelines are derived that ensure timely identification and correction of any violations of Federal tax requirements. (*Attach sheet with description*)

5. Do you maintain records necessary to support the status of the bonds as qualified to receive the tax advantaged treatment described in section 54AA(g)? Yes No

If yes, for how long?

- Less than life of bonds
- Life of bonds
- Life of bonds plus 3 years

6. How do you maintain your bond records?

- On Paper
- Electronic media (*e.g., CD, disks, tapes*)
- Combination of paper and electronic

Under penalties of perjury, I declare that I have examined this completed questionnaire, including accompanying documents and statements, and to the best of my knowledge and belief, the completed questionnaire contains all the relevant facts relating to the answers to the questionnaire, and such facts are true, correct, and complete.

Signature: _____

Date: _____

Printed Name: _____

Title: _____

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws.

The IRS may not conduct or sponsor, and an organization is not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103 and 6104.