POST ISSUANCE COMPLIANCE POLICY

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The Town issues tax-exempt bonds from time to time to finance various capital improvements. As an issuer of such tax-exempt bonds, the Town is required by the Internal Revenue Code of 1986, as amended, (the "Code") and regulations promulgated by the United States Treasury Department to take certain actions subsequent to the issuance of such bonds to ensure the continuing tax-exempt status of the bonds.

The Town recognizes that compliance with applicable provisions of the Code and Treasury Regulations is an on-going process, necessary during the entire term of a bond issue, and is an integral component of the Town's overall debt-management responsibilities. These requirements apply equally to capital leases. Accordingly, the implementation of these requirements will require on-going monitoring and consultation with Bond Counsel.

Issuance:

The Select Board shall approve the terms and structure of bonds issued by the Town. Such bonds shall be issued in accordance with United States Treasury Department Regulations, the Internal Revenue Code of 1986, as amended, and State statutes. Specific post-issuance compliance procedures are addressed below.

General Procedures:

The following guidelines will be used to monitor compliance with post-issuance requirements:

1. The Town Treasurer, or the Treasurer's designee, shall serve as the Compliance Officer and shall be the person primarily responsible for ensuring that the Town successfully carries out its post-issuance responsibilities. The Compliance Officer shall be assisted by the following persons or entities:

    a. Bond Counsel
    b. Financial Advisor
    c. Paying Agent
    d. Rebate Specialist

The Compliance Officer shall be responsible for assigning post-issuance responsibilities to other staff, Bond Counsel, the Financial Advisor, the Paying Agent, and the Rebate Specialist, and shall utilize such other professional services as are necessary to ensure compliance with all post-issuance requirements.

2. The Compliance Officer shall verify that the following post-issuance actions have been taken on behalf of the Town with respect to each issue of tax-exempt bonds:
    a. Ensure that a full and complete record for the principal documents of each issue has been completed by Bond Counsel and the Financial Advisor;

b. Ensure that the Internal Revenue Service (IRS) forms 8038 are properly filed with the IRS by Bond Counsel within the time limits imposed by Section 149(c) of the Code;
c. Account for the allocation of the proceeds of the tax-exempt bonds to expenditures as required by the Code;
d. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditures of the issue proceeds;
e. Identify proceeds of tax-exempt obligations, in consultation with Bond Counsel and the Financial Advisor, that are yield-restricted and monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the bond yield to which such investments are restricted;
f. Determine, in consultation with Bond Counsel and the Financial Advisor, whether the Town is subject to the rebate requirements of Section 148(f) of the Code and related Treasury Regulations with respect to each issue of the Town. The Compliance Officer shall contact a Rebate Specialist, as required, prior to the fifth anniversary of the date of issuance of each issue and each fifth anniversary thereafter until the obligation has matured to arrange for calculation of the rebate requirements, as needed, to be paid by the Town. If any rebate is required to be paid to the IRS, the Town Compliance Officer will file Form 8038-T, along with the required payment.
g. Shall monitor the use of all financed facilities in order to determine whether private business uses of financed facilities have exceeded the de minimus limits set forth in Section 141(b) of the Code (generally a value or benefit equal to 10% of issue proceeds) that provide special legal entitlements to non-governmental persons.

3. The Compliance Officer shall collect and retain the following records with respect to each issue of tax-exempt obligations and with respect to the facilities financed with the proceeds of such Obligations:

a. Audited financial statements of the Town;
b. Appraisals, surveys, feasibility studies, if any, with respect to the facilities to be financed with issue proceeds;
c. Trustee or Paying Agent statements;
d. Records of all investments and the gains (or losses) from such investments;
e. Expenditures reimbursed with the issue proceeds;
f. Allocation of issue proceeds to expenditures (including cost of issuance) and the dates and amounts of each expenditure (including requisitions, draw down schedules, invoices, bills, and canceled checks as related to each expenditure);
g. Construction or renovation contracts for financed facilities or projects;
h. Maintain an asset list of all tax-exempt financed depreciable property and sales of tax-exempt financed assets;
i. Arbitrage rebate reports and records of rebate and yield reduction payments, if any;
j. Orders, Resolutions, and other actions, if any, adopted by the Town subsequent to the date of issue of the obligations; and
k. Relevant correspondence relating to such bonds.

The records collected by the Town shall be stored in any format deemed appropriate by the Compliance Officer and shall be retained for a period equal to the life of the tax-exempt obligations, including the life of any obligations issued to refund obligations, plus three (3) years.

4. In addition to its post-issuance compliance requirements under the Code and Treasury Regulations, the Town has agreed to provide Continuing Disclosure, such as annual financial information and material event notices. The continuing disclosure obligations are governed by the Continuing Disclosure Documents and by the terms of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended and officially interpreted from time to time.

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