Post-Issuance Compliance Policy

Policy Statement

Baylor University ("Baylor" or the "University") will comply with applicable federal tax rules and regulations related to its tax-exempt debt issuances. This includes compliance with applicable federal tax documentation and filing requirements, yield restriction limitations, arbitrage rebate requirements, use of proceeds and financed projects limitations and recordkeeping requirements.

This policy, and related procedures, are intended to serve as a guide for Baylor to facilitate compliance with the federal tax law applicable to Baylor’s outstanding tax-exempt debt issuances. In the event this policy or related procedures conflict, in whole or in part, with the No-Arbitrage Certificate or the Certificate Regarding Section 501(c)(3) Status and Use of Proceeds (or other similar certificates) (collectively, the "Tax Certificate") executed in connection with a tax-exempt debt issuance, the terms of the Tax Certificate shall control.

Reason for the Policy

Failure to maintain compliance with applicable federal tax law puts the University at risk of losing tax-exempt status on outstanding debt issuances.

Individuals/Entities Affected by this Policy

Financial Services Office
Office of Vice Provost for Research
Business Services Office
Facilities Management Office
Office of Advancement
Office of General Counsel

1. Post-Issuance Compliance Policy
Exclusions

NONE

Related Documents and Forms

University Policies and Documents
Records Retention and Archival Policy (BU-PP 038)

Other Documents
Internal Revenue Service (IRS) Revenue Procedure 97-13, as amplified by Notice 2014-67, and Revenue Procedure 2017-13 (applicable to any management contract that is entered into on or after January 17, 2017, although it may be applied to any management contract that was entered into before January 17, 2017)
Research Agreements and Private Business Use - Revenue Procedure 2007-47
Treasury Regulations §1.148-5 and §1.141-12
IRS Voluntary Closing Agreement Program
IRS Tax-Exempt Bonds for 501(c)(3) Charitable Organizations Compliance Guide

Definitions

These definitions apply to terms as they are used in this policy.

| Conduit Borrower          | A conduit borrower is generally responsible for the payment of debt service on conduit bonds and is usually contractually obligated to maintain the tax-exempt status of the bonds. |
| Conduit Issuer            | An issuer of tax-exempt bonds, the proceeds of which are loaned to the conduit borrower for use in a defined qualified purpose |
| Private Activity Bonds    | Any bond that is part of an issue that meets (i) the private business use test and the private payment or security test, or (ii) the private loan financing test. In the University's case, an issue of tax-exempt debt will be considered taxable "private activity bonds" if more than 5% of the proceeds of the debt are used directly or indirectly in any trade or business carried on by a private business user and more than 5% of the debt service on the debt is directly or indirectly (1) secured by any interest in property used or to be used in any trade or business carried on by a private business user or payments in respect of property used or to be used in any trade or business carried on by a private business user, or (2) derived from payments made in respect of property used or to be used in any trade or business carried on by a private business user. When calculating the percentage of PBU, the University will also include the cost of issuance, which will not exceed 2%. |
| Private Business Use (PBU)| Internal Revenue Code Sections 141(b)(6) and 145(a) define private business use as use of bond proceeds (directly or indirectly) in a trade or business carried on by any person other than a governmental unit or a section 501(c)(3) organization (e.g., the University) with respect to activities that do not constitute unrelated trade or businesses. For example, a management contract between the University and a private company to provide services in a debt-financed facility may be considered private business use. |

2. Post-Issuance Compliance Policy
Tax Exempt Debt

Debt, or bonds, issued by state and local governments, including conduit issuers on behalf of certain section 501(c)3 organizations, for which interest paid to bondholders is not includable in their gross income for federal income tax purposes.

Contacts

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Telephone</th>
<th>Office email/web site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy and Procedures Application</td>
<td>AVP – Treasury</td>
<td>254-710-8775</td>
<td><a href="https://financialservices.web.baylor.edu">https://financialservices.web.baylor.edu</a></td>
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Responsibilities

Financial Services

The Financial Services office has primary responsibility for ensuring that Baylor’s outstanding tax-exempt debt issuances are, and will remain, in compliance with federal tax law, rules and regulations. Staff will consult with other University departments, as well as third-party professionals (e.g., Baylor’s bond counsel and arbitrage rebate provider), as necessary, to ensure compliance with such rules, including this policy. An inventory of debt-financed facilities and property will be maintained and provided to affected entities on an annual basis.

Business Services Office

Responsible for notifying the AVP - Treasury if a third-party agreement is contemplated which may give rise to PBU in a debt-financed facility. Such agreements include, but are not limited to, management contracts, operating agreements, licenses, leases, subleases, and naming rights agreements.

Office of Advancement

Responsible for notifying the AVP - Treasury if a naming rights agreement or other significant fundraising is contemplated with respect to a debt-financed facility.

Office of General Counsel (OGC)

Monitors, in conjunction with Financial Services, any third-party use of debt-financed University property through a joint venture, partnership or other cooperative agreement.

Office of Vice Provost for Research (OVPR)

OVPR is responsible for notifying the AVP - Treasury if a third-party agreement is contemplated to conduct third-party funded research or clinical trials in a debt-financed facility.

Real Estate Operations

Responsible for notifying the AVP - Treasury if a third-party lease agreement is contemplated for the use of any portion of a debt-financed facility or if the sale of any debt-financed facility is considered.

Principles

The University must maintain compliance with federal laws, regulations, and rules governing tax-exempt debt with regard to the following activities:

- Closing of new debt issuances
- Use of debt proceeds

3. Post-Issuance Compliance Policy
• Arbitrage limitations imposed on debt issuances
• Accounting of debt proceeds
• Remedial measures and the Voluntary Closing Agreement Program
• Recordkeeping and record retention
• Continuing education

Procedures

Closing of Debt Issuances

A. Tax Certificates. Baylor’s bond counsel, with assistance from Baylor and other professionals associated with the financing, shall prepare the Tax Certificate in connection with each tax-exempt debt issuance issued on behalf of the University. The Tax Certificate shall serve as the operative document for purposes of establishing Baylor’s reasonable expectations as of the date of issue of a tax-exempt debt issuance, as well as provide a summary of the federal tax rules applicable to such issuance. The AVP - Treasury, in consultation with Baylor’s bond counsel, will review the Tax Certificate prepared for each of Baylor’s tax-exempt debt issues prior to the closing of the issue.

B. Internal Revenue Service Form 8038 – Tax-Exempt Bonds. Baylor’s bond counsel, with assistance from Baylor and other professionals associated with the financing, shall prepare an Internal Revenue Service (“IRS”) Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues, in connection with each tax-exempt debt issuance issued to benefit Baylor, which the AVP - Treasury will review prior to closing. Each IRS Form 8038 prepared for a tax-exempt debt issuance will be filed with the IRS no later than the 15th day after the 2nd calendar month after the close of the calendar quarter in which the tax-exempt obligation to which such Form 8038 relates is issued. All Form 8038s shall be filed by Baylor’s bond counsel with the IRS at the following address: Internal Revenue Service, Ogden, UT 84201.

Use of Debt Proceeds – Tax-Exempt Bonds

A. Overview. Baylor routinely reviews, and will continue to review, third-party uses of its tax-exempt debt financed facilities for PBU. In addition, Baylor will continue to consult regularly with its bond counsel regarding the applicable federal tax limitations imposed on Baylor’s outstanding tax-exempt debt issuances and whether arrangements with third parties give rise to PBU of the financed projects. For these purposes, Baylor will monitor uses of their tax-exempt debt financed facilities, including but not limited to uses pursuant to a management contract, operating agreement, license, lease, sublease, naming rights agreement, research agreement, clinical trial agreement, and joint venture or partnership arrangement, as detailed in C. thru H of this section. In the event the University enters into an
arrangement involving a facility for which tax-exempt debts are outstanding, and which gives rise to PBU, the University will consult its bond counsel or tax consultant regarding the arrangement and whether such arrangement impacts the tax-exempt status of the University’s outstanding debt.

The AVP - Treasury shall undertake a comprehensive review of each of its outstanding bond issues for third-party use annually following the close of each Fiscal Year. Ongoing communication will be conducted with University departments to maintain visibility of tax-exempt funded properties and the implications of any changes in use or ownership. A PBU review council, made up of representatives from the responsible offices described in this policy document, will meet at least semi-annually to review such changes.

B. Private Use Generally. The University will not knowingly take or permit to be taken any action which would cause any of its outstanding tax-exempt debt issuances to become taxable private activity bonds, as described below.

C. Management or Other Service Contracts. In the event the University enters into a management contract, service agreement, operating agreement or license with an individual or entity whose use of the University’s tax-exempt debt financed projects could potentially result in PBU, the University, in coordination with bond counsel or tax consultant when necessary, will evaluate whether such arrangements result in PBU. For these purposes, a management contract, service agreement, operating agreement and license include any contract between the University and a service provider under which the service provider provides services involving all, or a portion of, or any function of, a project financed with tax-exempt debt proceeds (a “Service Contract”).

It is the University’s intent to attempt to structure Service Contracts impacting tax-exempt debt financed property to satisfy one of the PBU safe harbors set forth in Revenue Procedure 2017-13. When major contracts are considered, Business Services will contact Financial Services to consult on the impact, if any, on PBU implications.

D. Leases and Subleases. The University will review leases and subleases that involve the use of tax-exempt debt financed projects, in consultation with its bond counsel or tax consultant. If it is determined that the lease results in PBU, the University will track lease information including the name of the lessee (or sub lessee), the term of the lease (or sublease), the amount of the rent paid by the lessee (or sub lessee) and the square footage of space used by the lessee (or sub lessee) relative to the square footage of the debt-financed facility. When significant leases are considered, Real Estate Operations will contact Financial Services to consult on the impact, if any, on PBU implications.

5. Post-Issuance Compliance Policy
E. Naming Rights Agreements. The University will monitor naming rights agreements that involve tax-exempt debt financed projects, including the term of the arrangement and the amount paid by the naming party. The Office of Advancement will contact Financial Services to consult on the impact, if any, on PBU of any potential naming rights agreements.

F. Sponsored Research. Financial Services will coordinate with the Office of Vice Provost for Research (OVPR) on qualified uses of tax-exempt funded facilities, particularly with regard to third party funded research. The University will apply Revenue Procedure 2007-47 to research sponsorship agreements existing now or in the future with respect to tax exempt debt financed property. When major projects are considered, OVPR will contact Financial Services to consult on the impact, if any, on PBU implications.

The AVP – Treasury, in conjunction with OVPR, will conduct a semi-annual review of sponsored research being conducted in tax exempt debt funded facilities. This list, once purged of obvious qualified uses, is then reviewed with bond counsel or tax consultant to reach a final determination of any PBU. Projects that are determined to be PBU are then used to calculate and record the impact on the tax-exempt funded facility. That impact is then combined with any other existing PBU to calculate the total percentage PBU for that tax-exempt issue to ensure that Baylor does not exceed the legal limits for PBU over the life of the bond issue and for IRS reporting purposes on IRS Form 990, Schedule K, “Supplemental Information on Tax-Exempt Bonds.”

G. Clinical Trials. The University will monitor clinical trial agreements that involve tax-exempt debt financed projects, including the term of the arrangement, the sponsoring entity, the trial to be conducted and the amount paid by the sponsoring party. Such clinical trials will be monitored by OVPR in coordination with Financial Services as discussed in Section F for Sponsored Research.

H. Joint Ventures and Partnership Arrangements. The University will monitor uses by third parties of Baylor property financed using the proceeds of tax-exempt debt pursuant to a joint venture, partnership or other cooperative agreement between the University and the third party. The University does not often participate in Joint Ventures or Partnerships. However, if such participation is considered, it will be monitored through coordination with Financial Services and Baylor’s General Counsel and bond counsel. When joint venture or partnership arrangements are considered, OGC will contact Financial Services to consult on the impact, if any, on PBU implications.

I. Sales of Debt-Financed Property. The University will use debt proceeds to finance projects that Baylor intends to own for the entire term of the debt issue financing the projects. Prior to selling or otherwise disposing of any tax-exempt debt financed project for which debt remains outstanding, the University will consult with
Post-Issuance Compliance Policy

its bond counsel to determine the impact, if any, such sale or disposition would have on the tax status of Baylor’s outstanding tax-exempt debt, as well as whether a remedial action is required.

J. Private Loans. The University will not take or permit to be taken any action which would cause any of its tax-exempt debt issuances to be considered “private loan bonds.” University debt will be considered “private loan bonds” if more than 5% of the proceeds of the issue are used directly or indirectly to make or finance loans to private persons. It is against University policy to make loans to private persons and this issue is reviewed by bond counsel during due diligence processes.

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Arbitrage Limitations Imposed on Debt Issuances

A. Arbitrage Rebate Monitor. The University will retain a third-party professional to assist in the review of outstanding tax-exempt debt issuances, unless, in the judgment of the University, and in compliance with these Policies and Procedures and the Tax Certificate entered into in connection with a tax-exempt debt issuance, there is no reasonable prospect of an arbitrage rebate or yield reduction payment liability. The arbitrage rebate monitor will perform calculations annually to ascertain whether the University owes an arbitrage rebate payment or yield reduction payment to the IRS, including whether the tax-exempt debt issuance in question qualifies for an exception to the arbitrage rebate rules.

B. Payment of Arbitrage Rebate and Yield Reduction Liability. In the event the University owes arbitrage rebate or has accrued a yield reduction payment liability, the University will timely submit IRS Form 8038-T, Arbitrage Rebate Yield Reduction and Penalty in Lieu of Arbitrage Rebate, to be prepared by the arbitrage rebate monitor, together with payment in the amount equal to the arbitrage rebate or yield reduction payment liability calculated by the arbitrage rebate monitor in accordance with the Tax Certificate related to such debt issue. For these purposes, timely shall mean within 60 days after each installment computation date, and the University will cause to be paid to the IRS at least 90% of the amount of arbitrage rebate and yield reduction payment liability owed, and within 60 days after the final installment computation date, the University will cause to be paid to the IRS 100% of the amount of arbitrage rebate and yield reduction payment liability owed.

Each completed IRS Form 8038-T, together with full payment in the amount equal to the arbitrage rebate or yield reduction payment liability, shall be filed with the IRS at the following address: Internal Revenue Service Center, Ogden, UT 84201.

C. Yield Restriction Limitations. Each Tax Certificate prepared for the University’s tax-exempt debt issuances shall contain the applicable yield restriction investment limitations, including the applicable investment limitations imposed on proceeds of

7. Post-Issuance Compliance Policy
the debt issuance and any temporary periods during which the University may invest proceeds of the debt issuance at an unrestricted yield.

D. Monitoring Yield Restriction Limitations. The AVP - Treasury will ensure that the University complies with the yield restriction limitations outlined in the Tax Certificate entered into by the University in connection with a tax-exempt debt issuance, including any exceptions to yield restriction described therein by having every issue reviewed by the rebate monitor.

E. Expenditure of Tax-Exempt Debt Proceeds. The University will expend tax-exempt debt proceeds as promptly and diligently as possible within the confines of these Policies and Procedures and the applicable Tax Certificate. For these purposes, the University does not intend to finance projects using the proceeds of tax-exempt debts for which the University expects that the tax-exempt debt proceeds will not be fully spent within three years of the date of issue of the debt.

F. Arbitrage Rebate Exceptions. Each Tax Certificate prepared for the University's tax-exempt debt issuances shall contain the arbitrage rebate exception(s) applicable to the debt issuance, which arbitrage rebate exceptions will be applied by the rebate monitor in assessing whether Baylor owes arbitrage rebate.

G. Verification Agent. The University will retain a third-party verification agent for each of its advance refunding bond issues. The verification agent will verify the arbitrage yield on the tax-exempt debt issuance, the arbitrage yield on the investments acquired as part of the refunding escrow established using gross proceeds of the tax-exempt debt issuance, and the sufficiency of the refunding escrow. Note, however, that beginning January 1, 2018, federal tax law prohibits a tax-exempt advance refunding (i.e., a refinancing of debt that isn't callable within 90 days of the refunding issue) of another issue of tax-exempt bonds.

H. Establishment of Refunding Escrows and Trustee Responsibilities. The University will deposit tax-exempt debt proceeds (and any other amounts) to be used to refund prior debt into one or more separate escrow trust accounts established with the trustee selected for the transaction. Working with Baylor’s bond counsel, and in accordance with the documentation prepared for the refunding transaction, the University will impose primary responsibility for initiating actions required to be taken with respect to the refunding escrow (including any reinvestment of amounts within the escrow and disbursing funds from the escrow) on the trustee. In the event of an omission on the part of the trustee, an error in the documentation or procedures establishing the escrow, or an investment to be acquired as part of the refunding escrow is not available for purchase, the University will timely consult with bond counsel, as applicable, to determine the impact, if any, on the tax-exempt status of the bond issue and actions to be undertaken by the University to ensure the continuing tax-exempt status of the obligations.

8. Post-Issuance Compliance Policy
I. Acquiring Investments for Refunding Escrows. The University intends to maximize the investment return on investments acquired with tax-exempt bond proceeds and acquire such investments at fair market value. When funding deposits to refunding escrows using tax-exempt debt proceeds, the University will acquire United States Treasury Securities – State and Local Government Series (SLGS) or securities purchased on the open market in accordance with the terms of Baylor’s bond documents.

In the event the University chooses to fund a refunding escrow using securities purchased on the open market, the University will retain a third-party investment bidding agent to solicit bids from providers of qualifying securities in accordance with the limitations described in the “3-bid” safe harbors set forth in Treasury Regulations Section 1.148-5(d)(6) (Appendix C).

J. Interest Rate Hedges. The University will consult with a third-party financial advisor for interest rate hedges entered into by the University, irrespective of whether any such hedge is acquired through a direct negotiation with the provider or procured through a bidding process. The University will consult with its bond counsel with respect to interest rate hedging transactions related to an outstanding or prospective debt issuance prior to the date on which the interest rate hedging transaction is entered into.

Accounting for Debt Proceeds

A. General. Except as otherwise described below and in the Tax Certificate entered into by the University in connection with a tax-exempt debt issuance, the University will apply a “direct tracing” method of accounting for and allocating its tax-exempt debt proceeds.

B. Investment of Proceeds. Proceeds of the University’s capital borrowings shall be held in a separate fund or account held by the trustee. The AVP - Treasury will coordinate and monitor activities with the trustee and provide periodic reconciliations of activity.

C. Expenditure of Debt Proceeds on Capital Projects. Projects to be funded by debt, taxable or tax-exempt, are tracked and closely monitored by the AVP - Treasury, who oversees the review and approval of invoices related to tax-exempt debt financed expenditures. After expenditures have been properly recorded, the corresponding documentation will be copied and sent to the trustee along with a request for reimbursement. The trustee will review and make appropriate reimbursements from the trustee held proceeds of the debt issue.

The University shall maintain an active ledger, updated with each payment of an expenditure from tax-exempt debt proceeds that, for each outstanding debt issuance, shows:

9. Post-Issuance Compliance Policy
(1) Name and date of issue of the tax-exempt debt issue to which the proceeds relate;
(2) Projects financed with the proceeds of the issue;
(3) Authorized amount of proceeds to be used to finance each project;
(4) Amount of proceeds of the debt issuance used to date to finance each project;
(5) Amount of unspent proceeds of the debt issuance to be used to finance each project; and
(6) Date on which the debt proceeds related to each project were fully expended.

D. IRS Form 990, Schedule K, “Supplemental Information on Tax-Exempt Bonds.” The Schedule K is used to provide information on outstanding liabilities associated with tax-exempt bond issues. The AVP - Treasury is responsible for preparing the Schedule K, which is done annually after the end of the fiscal year.

Remedial Measures and the Voluntary Closing Agreement Program

A. General. The University intends that none of its tax-exempt debt issuances will require the application of the remedial action rules or result in the request for a voluntary closing agreement. In the event a violation of federal tax law is identified, the University will consult with its bond counsel and tax consultant to determine the best corrective action.

B. Remedial Actions. Treasury Regulations Section 1.141-12 provides the University with the ability, in certain circumstances, to voluntarily remediate violations of the private business tests or private loan financing test.

C. Voluntary Closing Agreement Program. Pursuant to the IRS Voluntary Closing Agreement Program, the University can request a voluntary closing agreement with the IRS to correct failures on the part of the University to comply with the federal tax rules related to debt issuances.

Recordkeeping

A. General. The University has ongoing recordkeeping responsibilities associated with its tax-exempt debt issuances. Each Tax Certificate prepared on behalf of Baylor for a tax-exempt debt issuance shall provide for a description of the records to be maintained by or on behalf of the University and the period of time such records must be maintained. In addition, the University is familiar with the IRS’s Frequently Asked Questions related to the recordkeeping requirements for tax-exempt debt. The University also receives updates through bond counsel furnished copies of IRS questionnaires, input from Digital Assurance Certification and Hilltop
Securities. The current policy at Baylor is for such records to be permanently maintained.

B. Means of Maintaining Records. The University may maintain records required to be held as described in this Part VIII in paper and/or electronic form. It is the policy of the University to maintain as much of its records electronically as feasible although the majority of tax-exempt debt records are maintained in paper.

C. Transcript and Use of Debt Proceeds. The University shall maintain, or cause to be maintained, records relating to the tax-exempt status of its tax-exempt debt issuances and the representations, certifications and covenants set forth in its respective Tax Certificates until the date 3 years after the last outstanding obligation of the issue to which such records and Tax Certificate relate has been retired. The records that must be retained include, but are not limited to:

1) Basic records and documents relating to the obligations (including the transcript, which shall include, among other records, the Tax Certificate, IRS Form 8038, verification report, authorizing resolution(s), trust indenture, loan agreement, record of public approval, and the opinion of bond counsel),
2) Documentation evidencing the expenditure of debt proceeds,
3) Documentation evidencing the use of debt financed projects by public and private sources, including copies of arrangements described in Part VI of these Policies and Procedures,
4) Documentation evidencing sources of payment or security for the debt issuance; and
5) Documentation pertaining to any investment of debt proceeds (including the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations).

D. Investment Records. Baylor shall maintain detailed records with respect to every investment acquired with proceeds of its tax-exempt debts, including the: (1) purchase date, (2) purchase price, (3) information establishing fair market value on the date such investment became allocated to gross proceeds of the debt, (4) any accrued interest paid, (5) face amount, (6) coupon rate, (7) periodicity of interest payments, (8) disposition price, (9) any accrued interest received, (10) disposition date, and (11) broker’s fees paid (if any) or other administrative costs with respect to each such non-purpose investment.

Baylor shall maintain such records until the date three years after the last outstanding obligation of the issue to which such records and non-purpose investments relate has been retired. Listed information is also furnished as records to the rebate monitor.

11. Post-Issuance Compliance Policy
E. Arbitrage Rebate and Yield Reduction Payment Records. The AVP - Treasury shall maintain records of arbitrage rebate payment and yield reduction payment calculations performed by the arbitrage rebate monitor (irrespective of whether Baylor owed any amount to the IRS), and records related to any arbitrage rebate payments or yield reduction payments made to the IRS, including the calculations performed by the arbitrage rebate monitor substantiating such payments, together with the IRS Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, that accompanied such payments, until the date 3 years after the last outstanding obligation of the issue to which such records and rebate payments relate has been retired.

F. Overpayment of Arbitrage Rebate Records. In the event Baylor has overpaid to the United States an arbitrage rebate or yield reduction payment liability, Baylor shall maintain records of such arbitrage rebate payments or yield reduction payments, including calculations performed by the arbitrage rebate monitor, together with the IRS Form 8038-R, Request for Recovery of Overpayments Under Arbitrage Rebate Provisions, that accompanied the request for a recovery of such overpayment until the date 3 years after the last outstanding obligation of the issue to which such records and rebate overpayments relate has been retired.

G. Other Records. In addition to the records described above, Baylor will maintain the following records, to the extent applicable to a particular tax-exempt debt offering, until the date 3 years after the last outstanding obligation of the issue to which such relate has been retired:

1) Minutes and resolutions authorizing the issuance of, or the reimbursement of expenditures using proceeds of, the financing,
2) Appraisals, demand surveys and feasibility studies related to financed or refinanced property,
3) Documentation relating to any third-party funding for a project to which tax-exempt debt proceeds will be applied (including government grants),
4) Records of any IRS audit(s) or compliance check(s), or any other IRS inquiry related to the debt.

H. Applicability of Recordkeeping Requirement in the Event of a Refunding. In the event Baylor issues tax-exempt debt to retire prior Baylor debt, the University shall maintain the records described in this Part VIII with respect to the refunded debt until the date that is three years after the last outstanding tax-exempt obligation of the issue the proceeds of which were used to retire the refunded debt has been retired.

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Continuing Education

The University will consult regularly with its bond counsel regarding the federal tax rules applicable to its outstanding tax-exempt debt and changes to the federal tax law and will

12. Post-Issuance Compliance Policy
regularly update these Policies and Procedures to reflect any such changes. Bond counsel, financial advisors, arbitrage rebate monitor and consultants regularly send to Baylor updates from various publications that relate to federal tax rules applicable to tax-exempt debt. They also participate in conference calls to explain specific issues as they deem necessary or as the University may have questions that arise.

University employees involved in the monitoring and maintenance of tax-exempt debt attend conferences, seminars and webinars in an attempt to maintain current and up to date knowledge of issues impacting their responsibilities for the monitoring and maintenance of tax-exempt debt.