

EXHIBIT A

POST ISSUANCE TAX COMPLIANCE PROCEDURES FOR BONDS AND NOTES AND LOANS

A. INTRODUCTION

Gadsden Independent School District, Dona Ana and Otero County, New Mexico (the “District”) has adopted these Post Issuance Tax Compliance Procedures (the “Procedures”) to:

- (1) Maximize the District’s compliance with the federal tax law requirements applicable to its outstanding tax-exempt debt obligations, (the “Debt”); and
- (2) Identify and resolve any noncompliance matters, on a timely basis, to preserve the tax-exempt status of the Debt.

These Procedures will be treated by the District as the establishment of written procedures to:

- (1) Ensure that any Debt that no longer qualify for tax exempt status are identified and remediated in accordance with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”) and applicable regulations, including the remediation provisions of Treas. Reg. Sec. 1.141-12 or other remedial actions authorized by the Commissioner of the Internal Revenue Service under Treas. Reg. Sec. 1.141-12(h); and
- (2) Monitor compliance with the requirements of Section 148 of the Code (which include arbitrage, yield restriction, and rebate requirements) and related regulations.

B. MONITORING OF POST ISSUANCE COMPLIANCE

The District’s Chief Financial Officer (“Compliance Officer”) is responsible for monitoring the District’s post issuance compliance with these Procedures and all applicable federal tax law requirements. The Compliance Officer may designate employees of the District to carry out any of the duties required under these Procedures on behalf of the Compliance Officer, as necessary, appropriate, and permitted by law to ensure compliance.

C. COMPLIANCE WITH COVENANTS IN BOND DOCUMENTS

The Compliance Officer will ensure compliance with all covenants made by the District in the documents related to the Debt (the “Debt Documents”) which must be complied with to maintain the preferential tax status of the Debt, including, but not limited to the use of the Debt-financed facilities, timely completion of arbitrage rebate calculations, required filings and restrictions on investment of the Debt proceeds.

D. FEDERAL TAX LAW COMPLIANCE

1. Proper Use of and Allocation of Debt Proceeds

The Compliance Officer will ensure that Debt proceeds are allocated to expenditures in a manner that is consistent with the purpose for which each Debt issue was undertaken, as set forth in the Debt Documents. The Compliance Officer will also ensure that allocations of Debt proceeds to expenditures are timely made in accordance with the applicable tax regulations.

2. Investment of Debt Proceeds

The Compliance Officer will ensure that the Debt proceeds are invested in investments that are permissible under the Debt Documents, and any applicable state laws and federal tax laws.

3. Arbitrage Calculations

The Compliance Officer will ensure the timely completion of arbitrage yield restriction and rebate calculations and filings for each issue of Debt.

4. Yield Reduction/Rebate Payments

The Compliance Officer will ensure the timely payment, if applicable, of yield reduction payments and/or rebate, for each issue of Debt.

5. Use of Debt-financed Facilities

The Compliance Officer will review any agreement or other arrangement for the sale, lease, or use of any portion of any Debt-financed, including, but not limited to, service, vendor and management contracts, research agreements, licenses to use Debt-financed property or naming rights agreements for compliance with federal tax laws and the Debt Documents. The Compliance Officer will consult with bond counsel for further guidance, if he or she deems it necessary.

6. Post-Issuance Transactions

The Compliance Officer will, as directed by the Debt Documents or as otherwise deemed appropriate by the Compliance Officer, consult with bond counsel before making any changes or amendments to Debt Documents for a Debt issue, including, but not limited to entering or modifying investment agreements; making any change in security for the Debt; engaging in post-issuance credit enhancement transactions (e.g. change in letter of credit) or hedging transactions (e.g., interest rate swap, cap); terminating or appointing a successor trustee; releasing any liens; or reissuing a Debt issue.

7. Remedial Action

If at any time during the life of a Debt issue, the Compliance Officer discovers a violation of federal tax law requirements applicable to that issue may have occurred, the Compliance Officer may consult with bond counsel to determine whether any such violation has in fact occurred. If the Compliance Officer determines that a violation has in fact occurred, the Compliance Officer will inform the Gadsden Independent School District Board of Education and its Superintendent, of the same and the Compliance Officer will take prompt action to accomplish an available remedial action under applicable regulations or to enter into a closing agreement with the IRS under the IRS's Voluntary Closing Agreement Program or other future IRS published guidance.

E. RECORDKEEPING

1. Responsibility for Records Maintenance

The Compliance Officer will be responsible for maintaining records related to the Debt.

2. Bond Records to be Maintained

The following documents will be maintained by the Compliance Officer in electronic and/or hard-copy format for the term of each issue of Debt (including refunding Debt, if any), plus at least three years after April 15 of the year after the issue of Debt is retired:

- a.** The transcript for each Debt issue (which includes among other Bond Documents, the trust indenture, loan, lease, or other financing agreement, the relevant IRS Form 8038 (including Forms 8038-G or 8038, as applicable) with proof of filing, the bond counsel opinion and the tax agreement including all attachments, exhibits and any verification report);

- b.** Records of debt service payments for each issue of Debt;
- c.** Documentation evidencing the expenditure of Debt proceeds, such as construction or contractor invoices and receipts for equipment and furnishings, bond trustee requisitions and project completion certificates, as well as records of any special allocations made for tax purposes including post-issuances changes in allocations;
- d.** Documentation evidencing the lease or use of Debt-financed property by public and private sources, including, but not limited to, service, vendor, and management contracts, research agreements, licenses to use Debt-financed property or naming rights agreements.
- e.** Documentation pertaining to investment of Debt proceeds, including the yield calculations for each class of investments, actual investment income received from the investment of proceeds, investment agreements, payments made pursuant to investment agreements and rebate calculations and copies of any 8038-T or 8038-R filed with respect to the Debt;
- f.** Documentation pertaining to remedial action and other change-of-use records;
- g.** Amendments and other changes to the Debt Documents (including interest rate conversions and defeasances);
- h.** Letters of credit and other guarantees for Debt issues; and
- i.** Interest rate swaps and other derivatives that are related to Bond issues.

F. BOND COUNSEL REVIEW

The Compliance Officer may engage bond counsel or other advisors to assist in implementing these Procedures, including, but not limited to, assistance in the following areas:

- 1.** Rebate calculations and compliance;
- 2.** Records retention;
- 3.** Periodic review of the Debt records for compliance with federal tax laws regarding private business use;
- 4.** Determination of whether a violation of federal tax law requirements applicable to that Debt issue may have occurred and the District's options to address the violation so the preferential tax status of the Debt issue is maintained;
- 5.** Termination or modification of any interest rate swaps or other derivatives;
- 6.** Review of investment agreements;

7. Modifications to Debt Documents; and
8. Other federal tax law compliance, including any annual reporting requirements that may be imposed by the IRS.

G. ANNUAL REVIEW

The Compliance Officer is responsible for conducting an annual review of each outstanding Debt issue according to these Procedures. The review shall focus on events that occurred in the immediately preceding year. The Compliance Officer shall present the annual review to the Board at the Board's first meeting in February of each year.

H. DISCLOSURE TRAINING

The Compliance Officer or designee shall work with counsel to create, implement, and periodically revise ongoing federal tax compliance training for Debt issues subject to these Procedures. Every person designated by the Compliance Officer to carry out duties identified in these Procedures shall receive federal tax compliance training as it applies to these Procedures.

I. REVIEW OF POST ISSUANCE TAX COMPLIANCE PROCEDURES

These procedures have been adopted by the District. The Compliance Officer or designee will review these procedures no less than annually and will periodically consult with Bond Counsel and/or other professional advisors to ensure these procedures are effective in maintaining compliance with federal tax law applicable to District Debt issues.