

EXHIBIT B

UNIVERSITY OF NEW MEXICO'S POST-ISSUANCE TAX COMPLIANCE PROCEDURES

The Debt and Investment Advisory Committee (the “Committee”) is adopting these Post-Issuance Tax Compliance Procedures (the “Procedures”) to: (1) maximize the compliance of the Regents of the University of New Mexico (the “Issuer”) with the federal tax law requirements applicable to its outstanding tax-exempt bonds and obligations, (the “Bonds”); and (2) identify and resolve any noncompliance matters, on a timely basis, to preserve the tax-exempt status of the Bonds. The approval of these Procedures by the Committee will be treated by the Issuer as the establishment of written procedures to: (1) ensure that any Bonds 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.

1. Monitoring of Post-Issuance Compliance

The Issuer’s Director for Planning, Budget, and Analysis (the “Disclosure Officer”) will be responsible for monitoring post-issuance compliance for the Bonds pursuant to these Procedures. The Disclosure Officer may designate employees of the University to carry out the duties under these Procedures on behalf of the Disclosure Officer.

2. Compliance with Covenants in Bond Documents

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

3. Federal Tax Law Compliance

A. Proper Use of and Allocation of Bond Proceeds

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

B. Investment of Bond Proceeds

The Disclosure Officer will ensure that Bond proceeds are invested in investments that are permissible under the Bond Documents, University policies, and any applicable state laws and federal tax laws (e.g., federal tax law requires that investments purchased with Bond proceeds must be purchased and sold at fair market value).

C. Arbitrage Calculations

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

D. Yield Reduction/Rebate Payments

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

E. Use of Bond-Financed Facilities

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

F. Post-Issuance Transactions

The Disclosure Officer will, as directed by the Bond Documents or as otherwise deemed appropriate by the Officer, consult with bond counsel before making any changes or amendments to Bond Documents for a Bond issue, including, but not limited to entering or modifying investment agreements; making any change in security for the Bonds, 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; changes in mode, releasing any liens; or reissuing a Bond issue.

G. Remedial Action

If at any time during the life of a Bond issue, the Disclosure Officer discovers that a violation of federal tax law requirements applicable to that issue may have occurred, the Disclosure Officer may consult with bond counsel to determine whether any such violation actually has occurred. If the Disclosure Officer determines that a violation has in fact occurred, the Disclosure 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 published guidance.

4. Recordkeeping

A. Responsibility for Records Maintenance

1. The Disclosure Officer will be responsible for ensuring the proper maintenance of records related to the Bonds.
2. The Disclosure Officer will maintain a central list of records related to each issue of Bonds. The name and date of the document related to the issue,
3. The person or office responsible for the document, and
4. The physical or electronic location of the document.

B. Bond Records to be Maintained

1. The Disclosure Officer will ensure the proper maintenance of the following documents (the “Bond Records”) in electronic and/or hard-copy format for the term of each issue of Bonds (including refunding Bonds, if any), plus at least three years after the April 15 of the year the last Bond of each issue is retired:
 - i. The bond transcript for each Bond issue [which includes among other Bond Documents, the trust indenture, loan, lease, or other financing agreement, the relevant IRS Forms (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];
 - ii. Records of debt service payments for each issue of Bonds;
 - iii. Documentation evidencing the expenditure of Bond 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-issuance changes in allocations;
 - iv. Documentation evidencing the lease or use of Bond-financed property by public and private entities, including, but not limited to, service, vendor, and management contracts, research agreements, leases or licenses to use Bond-financed property, or naming rights agreements;
 - v. Documentation pertaining to investment of Bond 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 Bonds;

- vi. Documentation pertaining to remedial action and other change-of-use records;
- vii. Amendments and other changes to the Bond Documents (including interest rate conversions and defeasances);
- viii. Letters of credit and other guarantees for Bond issues; and
- ix. Interest rate swaps and other authorized derivatives that are related to Bond issues.

5. Bond Counsel and Financial Advisor Review

A. The Disclosure Officer may engage the bond counsel or financial advisor 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 Bond 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 Bond issue may have occurred and the Issuer's options to address the violation so the preferential tax status of the Bond issue is maintained;
- 5. Termination or modification of any interest rate swaps or other authorized derivatives;
- 6. Review of investment agreements;
- 7. Modifications to Bond Documents; and
- 8. Other federal tax law compliance, including any annual reporting requirements that may be imposed by the IRS.

6. Review

The Disclosure Officer is responsible for an annual review of each outstanding Bond issue pursuant to these Procedures. 7.

Training Requirements

Within six (6) months of the Disclosure Officer's appointment or designation, and on an annual basis every year thereafter, the Disclosure Officer and the Officer's designees will undergo training regarding basic federal tax concepts relating to the Bonds and records required to be maintained under these Procedures.

8. Deadline Reminder System

For any Bond issues issued after the date of adoption of these Procedures, a deadline reminder sheet will be completed within two weeks of the date such adoption.