The Debt Management Group at Emory University has the following processes and procedures in place for post bond financing compliance. Some of the compliance procedures are required legally by our bond documents while other procedures we have chosen to implement internally to better manage our debt portfolio. Summarized below are the post bond compliance procedures that Emory currently has in place.

**Annual Disclosure Requirements (Required)**

Per Emory’s most recent Continuing Disclosure Agreement (“CDA”) dated August 12, 2011, Emory is required to file a copy of its annual audited financial statements accompanied by an auditor opinion letter and certain financial and operational data (specified in the CDA) within 180 days after its fiscal year end to the Municipal Securities Rulemaking Board (“MSRB”) through the Electronic Municipal Market Access (“EMMA”). The information for the annual disclosure report is collected by the Debt Management Group and approved and submitted to the MSRB by the Assistant Vice President, Cash and Debt Management and the Debt Manager. The Vice President for Finance conducts a formal review of the annual disclosure report. The Debt Management Group is a cross functional team comprised of debt accounting professionals in the Controller’s Office and Cash and Debt Management team professionals.

Emory uses Digital Assurance Certification, LLC (“DAC”) as its dissemination agent to file its annual disclosure requirements with the MSRB through EMMA. DAC also posts Emory’s annual disclosure information for investors on its website at [http://www.dacbond.com/](http://www.dacbond.com/) (Website access is free to investors.) DAC sends Emory reminder e-mail notices as the upcoming deadline for its annual disclosure requirements approaches to ensure the date is not missed by the Debt Management Group. Also once the annual disclosure is posted on the DAC website, DAC notifies all required contacts (authority counsel, bond counsel, underwriter’s counsel, financial advisor, investment bankers, remarketing agents, liquidity banks, rating analysts and so on) via an email that the disclosure is currently available for viewing. Emory updates the list of required contacts annually each year prior to submission of its annual disclosure. In addition, DAC also hosts web conferences on any new requirements regarding post bond compliance for its clients which Emory regularly participates in.

The CDA also requires Emory to report a number of “significant events” to investors in a timely manner. Emory is proactively reporting “significant events” within 10 business days of their occurrence/
announcement to EMMA. The Cash and Debt Management team ensures that its annual disclosure report, reporting of any significant events and all Official Statements for Emory’s outstanding debt are posted on DAC and EMMA by the required deadline. Emory is current on all its CDA filings.

**Rating Agency Reporting (Required)**

Emory has long term ratings from Fitch Ratings, Moody’s Investors Service (“Moody’s”) and Standard and Poor’s (“S&P”). Emory completes an annual survey for each of the rating agencies. The survey requests data on Emory’s financial situation (including information on the endowment), debt service, tuition information, faculty data, capital financing plans, exposure to derivatives, enrollment and other student data. In addition, Moody’s annual survey includes a worksheet to report on Emory’s annual liquidity assets and healthcare operating statistics. The Cash and Debt Management team is responsible for submitting the annual surveys to the rating agencies by their respective due dates; the team works with the Controller’s Office, Emory Healthcare, Emory Investment Management (“EIM”), the Office of Institutional Research and the Admissions Office to gather all the data for the surveys.

In addition, Emory has short term ratings from Moody’s and S&P which require quarterly reporting of Emory’s liquidity assets, bank lines of credit and short-term debt and the calculation of liquidity ratios. The Cash and Debt Management team is required to complete the Moody’s quarterly liquidity worksheet by the 20th of the next month following December 31st, March 31st, June 30th and September 30th. The Cash and Debt Management team sends the S&P liquidity worksheet to the S&P rating analyst within a week of sending the Moody’s report. S&P does not have a set due date for their quarterly liquidity worksheet.

**Bank Lines Reporting Requirements (Required)**

Emory maintains two hybrid standby liquidity agreements totaling $290 million with JPMorgan Chase Bank (“JPMorgan”) and Barclays Bank (“Barclays”) for additional liquidity support for its variable rate debt. Per Section 4.03(b) of Emory’s Standby Purchase Agreement with JPMorgan and Barclays, Emory is required to send annual financial statements within 150 days after FYE, quarterly financial statements within 60 days of quarter end (includes financial and investment information), a certificate of compliance with each set of financials and updates to Emory’s bylaws. The Cash and Debt Management team works with the Controller’s Office and EIM to gather the financial and investment information to compile with the other information to send to JPMorgan and Barclays.

All required information is sent to JPMorgan and Barclays by each of their respective required due dates. If there is a delay in sending any of the information, the banks are notified prior to the required due date to receive a waiver/extension.
**Arbitrage Reporting (Required)**

Emory is required by U.S. Treasury regulations to report any arbitrage earned on its investment of tax-exempt bond proceeds. The yield earned on the investment of the tax-exempt bond proceeds cannot be materially higher than the yield on the bond issue. Arbitrage is the difference between the actual earnings on the proceeds and what the proceeds could have earned had they been invested at the same rate as the bond yield. If actual earnings exceed potential earnings calculated at the bond yield, the issue is in "positive arbitrage." If actual earnings are less than the bond yield, the issue is in "negative arbitrage."

The Tax and Arbitrage Certificate provides the timing of the required arbitrage calculation due for each series of bonds or notes issued. Arbitrage reporting is required for Emory’s fixed and variable rate tax-exempt bonds and notes but is not required for its taxable bonds; Emory must also complete arbitrage reporting on each of its tax-exempt commercial paper program orders. After every new bond or note issuance, a member of the Cash and Debt Management team reviews the “Rebate Section” of the Tax and Arbitrage Certificate and updates the required calculation date(s) to a comprehensive arbitrage calculation schedule which includes all of Emory’s outstanding bonds and notes. The Cash and Debt Management team maintains the comprehensive schedule of Emory’s arbitrage calculation dates and works with the arbitrage rebate consultant to ensure the arbitrage calculation and report is completed in a timely manner. This is done to ensure that payment, if any is required, is made to the Internal Revenue Service (“IRS”) by the required date stated in the Tax and Arbitrage Certificate.

In the event that an arbitrage calculation and report for a tax-exempt bond, note or commercial paper program order indicates that Emory has positive arbitrage and is required to pay a yield reduction payment to the IRS, Emory works with its Bond Counsel and the IRS to complete the appropriate communication, proper filing and payment in the required timeframe.

If Emory meets the two-year, 18-month or 6-month spending exception on the bond proceeds, an arbitrage rebate report does not need to be completed by the arbitrage rebate consultant. However, Emory works with the arbitrage rebate consultant to complete a spending exception report. If defined spend down requirements are met, Emory does not need to rebate any liability. Emory maintains copies of all final arbitrage or spending exception reports in its files and the report date is indicated on the comprehensive arbitrage calculation schedule.

**Private Business Use (required)**

The Debt Management Group in conjunction with the Office of General Counsel and the Tax Office monitors private business use on all of Emory’s outstanding bonds for the life of the bond issue. The Office of General Counsel is responsible for collecting and reviewing leases, management contracts and research agreements related to private business use in any of Emory’s facilities financed by tax-exempt
bonds. The Debt Accounting Office and Tax Office, within the Controller’s office, are responsible for maintaining all the data for the annual calculation of private business use for IRS Form 990, as well as maintaining the comprehensive list of Emory’s leases, contracts and agreements. Emory’s Business Officers are responsible for confirming which leases, contracts and agreements on the comprehensive list are still current/active for their respective Schools on an annual basis.

**Internal Reporting Processes and Procedures**

The Cash and Debt Management team is responsible for compiling a bi-weekly debt checklist (or as needed) and distributes it to the Executive Vice President of Finance & Administration, Vice President for Finance, Vice President of Investments and the Chief Investment Officer, EIM staff, Emory’s financial advisor and other individuals as appropriate. The debt checklist highlights (1) financial market news and interest rates, (2) Emory’s variable rate debt, put exposure and overall cost of capital, (3) Emory’s swap exposure, (4) status of Emory’s current debt projects, (5) Emory’s liquidity situation and (6) Emory Investment Management update. The data and information in the debt checklist is collected and gathered from various internal and external resources. The debt checklist is a tool which assists Emory in managing all its internal and external debt, swap and liquidity portfolio requirements.

The Cash and Debt Management team is also responsible for a comprehensive debt checklist of significant deadlines and events for the debt portfolio.

The Cash and Debt Management team coordinates with Campus Services for buildings which are demolished or sold. The Cash and Debt Management team notify internal counsel, and/or Bond Counsel, and the Debt Accounting Office whenever a tax-exempt bond financed asset or building is sold or otherwise disposed of.

After each bond financing, the Cash and Debt Management team updates the Global Original Issue spreadsheet which outlines how the bond proceeds were allocated and the Bond Refunding spreadsheet which tracks which series of bonds refunded other series of bonds. The Debt Accounting office within the Controller’s office adds the principal and interest payments to the internal Capital Plan model.

The Debt Management Group is responsible for preparing requisitions for draw downs of Emory’s bond proceeds according to its bond legal documents. A requisition form is included in the Bond Trust Indenture for each of Emory’s bond issues which is required to be filled out by the Debt Accounting office and submitted with supporting documentation for internal review to the Associate Controller for Debt Accounting, Associate Vice President for Finance and Controller and the Assistant Vice President, Cash and Debt Management. After review and signoff by these parties, the requisition is submitted to the Bond Trustee. If Emory wants to use requisitioned bond proceeds for projects (other than the projects that were originally approved by the Emory Ways and Means Committee prior to the bond
issuance), the Debt Management Group must receive approval for these other projects from the Vice President for Finance. The Debt Management Group consults with Bond Counsel on these types of issues.

All of the above procedures and processes are updated on a continuous basis.

Accepted and Reviewed:

Edith C. Murphree