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Contract No.: 175-9776

Agreement to Supply: ARBITRAGE REBATE COMPLIANCE AND OPINION SERVICES

This agreement, made and entered into this the _____ day of _____, 2007, is by and between the **CITY OF FORT LAUDERDALE**, a Florida municipality, City Hall, 100 North Andrews Avenue, Fort Lauderdale, FL 33301, hereinafter called the "City" and Contractor:

Name: American Municipal Tax-Exempt Compliance Corp.

Address: 998 Farmington Avenue, Suite 107 City: West Hartford, State: CT Zip: 06107

A Corporation A Partnership An Individual Other: _____

authorized to do business in the State of Florida, hereinafter called the "Company" or "Contractor." Witnesseth that: Whereas, the City did advertise and issue a Request for Proposal (RFP) for supplying the requirements of the City for the items and/or service listed above for a period of three years with three, one year extension options and the Contractor submitted a proposal that was accepted and approved by the City.

Formal authorization of this contract was adopted by the City Commission on: July 17, 2007 Pur-25

Now, therefore, for and in consideration of the promises and the mutual covenants herein contained, the parties covenant and agree as follows:

1. The Company agrees to provide to the City arbitration rebate compliance and opinion services, during the period beginning 07/17/07 and ending 07/16/10 for the requirements listed above and according to the following specifications, terms, covenants and conditions:

a. This contract form G-110, the Request for Proposal containing General Conditions, Special Conditions, Specifications, addenda, if any, and other attachments forming a part of RFP Number 175-9776 and the Contractor's proposal in response, form a part of this contract and by reference are incorporated herein.

b. In construing the rights and obligations between the parties, the order of priority in cases of conflict between the documents shall be as follows:

- 1) This contract Form G-110, Rev. 12/00
- 2) The City's RFP and all addenda thereto
- 3) Contractor's proposal in response to the City's RFP

c. Warranty: The Company by executing this contract embodying the terms herein warrants that the product and/or service that is supplied to the City shall remain fully in accord with the specifications and be of the highest quality. In the event any product and/or service as supplied to the City is found to be defective or does not conform to specifications the City reserves the right to cancel that order upon written notice to the Contractor and to adjust billing accordingly.

d. Cancellation: The City may cancel this contract upon notice in writing should the Contractor fail to reasonably perform the service of furnishing the products and/or services as specified herein upon 30 days written notice. This applies to all items of goods or services.

e. Taxes Exempt: State Sales (#85-8012514506C-7) and Federal Excise (#59-600319) Taxes are normally exempt, however, certain transactions are taxable. Consult your tax practitioner for guidance where necessary.

f. Invoicing: Contractor will forward all invoices in duplicate for payment to the following: Finance Department, 100 N. Andrews Avenue, 6th Floor, Fort Lauderdale, FL 33301. If discount, other than prompt payment terms applies, such discount MUST appear on the invoice.

2. Contract Special Conditions: The following special conditions are made a part of and modify the standard provisions contained in this contract Form G-110.

3. Contract Summary:

a. Attachments:

AMTEC's response to the RFP and a copy of the RFP document.

b. Payment Terms: Net 30

c. Delivery: Per proposed timeline

d. Insurance: Yes No

e. Performance Bond/Letter of Credit: Yes No

f. Procurement Specialist's Initials: MW

4. Contractor's Phone Numbers: Office: **860-523-5112**

5. Contractor's Fax Number: **860-236-7135**

6. Contractor's E-Mail Address: bill@amteccorp.com

Website: www.amteccorp.com

City of Fort Lauderdale

By: [Signature]
Director of Procurement Services (City Manager's Designee)

Auth: Sec. 2-180(8) of Code and Procurement Memo No. 04-03

Date: 10/26/07

Approved as to form: [Signature]
Senior Assistant City Attorney

Date: _____

Contractor/Vendor

William M. Pasucci

Name of Company Officer (please type or print)

By: [Signature]
Authorized Officer's Signature

Title: President

Date: October 23, 2007

Leonor W. Snow
Secretary (please type or print)

Attest: [Signature]
Signature of Secretary

PROPOSAL
Arbitrage Rebate Compliance
And Opinion Services
Presented To
THE CITY OF FORT LAUDERDALE



CONTRACT
COPY

Submitted By
American Municipal Tax-Exempt Compliance Corp.
AMTEC
June 21, 2007

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TAX-EXEMPT COMPLIANCE

June 21, 2007

City of Fort Lauderdale
Department of Procurement Services
100 N. Andrews Avenue, Suite 619
Fort Lauderdale, FL 33301

Dear Ladies and Gentlemen:

Thank you for inviting Amtec to submit its Proposal for Arbitrage Rebate and Opinion Services. The pages that follow are specifically designed to be succinct and correspond to the RFP requirements. Amtec appreciates the opportunity to submit this Proposal and welcomes additional dialogue with the City of Fort Lauderdale (the "City").

Executive Summary

Amtec is prepared to provide arbitrage rebate computations for the bond issues specified by the City. We have read the entire RFP, reviewed many of the Official Statements and the City's website to learn about the types and scope of bonded projects. Based upon our experience and understanding of the scope of services requested, we meet the qualifications of the City for this engagement. We have developed a guaranteed computation fee for each bond issue that requires rebate computations.

Our service also includes support and consultation services for the term of the engagement. The annual guaranteed maximum fee for the City's Issues is \$3,400 for the September 30, 2007 calculations. However, some of the issues will require a one-time catch-up and review fee of \$4,400. We have provided additional information about the application of our fees on pages 26-28. This fee is comprehensive, includes all services required to provide our unqualified opinion and is guaranteed not to increase over the term of the engagement. We will honor our pricing structure for a period of 180 days from June 21, 2007.

Service Recommendations

- A complete legal review of all outstanding debt issues;
- Restatement of prior rebate calculations;
- Immediate comprehensive catch-up rebate computations through June 30, 2007;
- Issuance of annual rebate computations as of September 30, 2007;
- Written recommendations on accounting and other compliance matters;
- Full support and recommendations on the selection of qualified investments and pro-forma rebate and spending tests, if needed; and
- Comprehensive support in the event of an IRS review or audit.

Work Plan Summary and Comprehensive Reporting and Opinion

Our work plan includes a legal review of the documentation for all issues, including any prior rebate computations. Each Amtec rebate report contains an executive summary, detailed and concise computations, definition of applied terms, computation methodology, recommendations and the firm's professional opinion.

Computations are completed in accordance with Section 148 of the Tax Code and the Treasury Regulations, as amended. Our professional unqualified opinion for the City is included in the Appendix Section on page A-2 along with a confirmation of the accuracy of Amtec's computation methodology on pages A-3 and A-4.

Amtec's Staff and Location

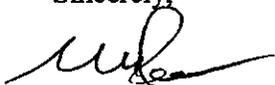
Amtec operates from a single location at 998 Farmington Avenue, West Hartford, CT, 06107. We can be reached toll free at (888) 999-8038. We support our nationwide client base from this centralized location. By consolidating operations, our expertise enables us to provide immediate response to any client or question. Our expert staff of fourteen trained professionals and support personnel are available to the City whenever you call. We are staffed from 8:00 a.m. to 8:00 p.m. and we do not use voice mail during these core hours. When you call, an Amtec staff member will always be here to assist you. We could not offer this service with limited staff and multiple offices.

The following Amtec professional staff will be assigned to the engagement and each has the authority to bind the firm:

William M. Pascucci, President	Raymond H. Bentley, Vice President
Michael J. Scarfo, Vice President	Leonor W. Snow, Vice President
Samuel C. Lerner, Vice President	Bob Ross, C.P.A.

The RFP process is presenting the City with the opportunity to make a switch to Amtec. You will notice an immediate difference in service and support provided by our finance oriented arbitrage compliance professionals. Tax compliance with the Regulations is our highest priority, however, our service methodology and focus will assist the City to reduce negative and increase investment income from bond proceeds. You should feel confident knowing that the professional staff at Amtec is waiting to serve the City of Fort Lauderdale.

Sincerely,



William M. Pascucci
President

Proposal Organization Note

The Statement of Qualifications, which is Section 3 of the RFP, preceded the Proposal Requirements, which was Section 4. However, the Cover Letter on pages 1 and 2 above is in response to the requirement of Part A of Section 4. Therefore, we have begun our Proposal with the Cover Letter, proceeded to Qualifications, Section 3, Parts A and B and then responded to all other questions in order, beginning with Section 4, Part B. We believe that the flow of information set forth provides continuity to our Proposal.

3. Statement of Qualifications: The information requested in this section should describe the qualifications of the firm, key staff and subcontractors providing arbitrage compliance services for state and local governments that are similar in size and scope within the past five years, to demonstrate competence to perform these services. The Statement of Qualifications Section shall include:

A. Description of the firm's experience in providing arbitrage rebate compliance services in general, and specifically with regard to transactions issued by municipalities and municipal-level entities. Highlight experience with complex tax-exempt structures such as variable rate issues, advance refundings, public-private partnership financings, combination taxable/tax exempt issues, etc. Include at least two examples of work performed at the branch office, which will have primary responsibility for this engagement. These examples should reflect currently applicable laws, rules, and regulations.

Amtec is an arbitrage rebate specialty firm that was incorporated in 1990. Since Amtec's inception, it has been and remains one of the only original monoline rebate computation firms in the United States. 100% of Amtec's resources are pledged to the arbitrage rebate function. Our business plans are to continue to expand our client base and provide service excellence to each of our clients. The City has the pledge of our senior management that we will be here in the future to service your account, just as we continue to service those accounts that engaged Amtec eighteen years ago.

Amtec is one of the oldest arbitrage rebate consultation firms in the United States. Due to our focused expertise, we are able to efficiently compute rebate on any size tax-exempt bond issue, regardless of its complexity, and do so on a more cost effective basis than our competition. The key to our success is unparalleled service and guaranteed fixed fee pricing.

Our clients include state governments and agencies, counties, cities, school districts and specialty issuers such as higher education, healthcare, housing and student loans. Our clients issue single purpose bonds and pooled financings using a variety of structures. We have substantial experience with fixed rate bonds, commercial paper issues and variable rate bonds that are integrated with a variety of hedge features such as interest rate swaps, caps and floors. Depending on the use of the proceeds, they issue AMT and Non-AMT Bonds. Security structures utilized include General Obligation, Certificates of Participation, Revenue, Special Assessment, Limited Tax, Special Tax Obligation and Pooled Financings.

In all, Amtec provides arbitrage rebate consulting services for more than 2,300 bond issues throughout the United States. We have delivered more than 23,000 rebate reports since 1990. The IRS has never challenged our findings.

Experience and Similar Engagements

The Amtec staff assigned has particular experience with states, counties, large and small cities, school districts, housing, hospitals and universities. While the demographics of the City are similar to many Amtec clients, Fort Lauderdale is unique and has associated projects that are comparable to much larger cities and is home to a large seaport and an airport. The City must also participate in the capital funding to support the infrastructure for these facilities. We have significant experience with similar projects in the City of Corpus Christi (TX), the Counties of Orange, San Diego and San Bernardino (CA), Charleston (SC) and the States of Rhode Island and Connecticut, all of which have some matching demographics and/or are coastal locations with similar capital demands as Fort Lauderdale. Capital projects include the construction of facilities, waterfront, sanitation, water and sewer and infrastructure.

Amtec has substantive experience with variable rate bonds, interest rate swaps, forward delivery contracts and convertible bonds. We are able to meet your compliance needs, as these debt structures are utilized.

The City has refinanced some of its G.O., Excise Tax Improvement and Tax Increment debt which may require transferred proceeds computations for advance refunding issues and commingled funds analyses. Amtec is fully knowledgeable with the regulatory requirements of these nuances through our experience with other similar size governmental entities and has the expertise to apply the Regulations in an accurate and consistent manner to the City's arbitrage rebate calculations.

Issuer	Scope of Engagement
Orange County, California	Arbitrage Rebate Computations

One of Amtec's largest clients is Orange County, CA. Orange County issues more bonds than many states and operates in an environment of checks, balances and internal review that is very comprehensive. This level of scrutiny dates back to the bankruptcy of Orange County. This background is important because Orange County auditors review every single transaction, including all entries related to its rebate calculations.

Orange County issues a variety of bonds that include fixed and variable yield, conversion bonds from variable to fixed yield, a variety of hedge features such as swaps, interest rate caps and forward delivery contracts. Amtec has applied the Regulations consistently to these complex transactions and integrates all of the various hedge features into Orange County's rebate computations, as well the calculations of many of our other larger clients.

Swaps are commonplace for many variable yield issues. The Regulations and rebate computation procedures for integrated swaps are well documented. Amtec applies the Regulations on a consistent basis for these calculations.

Orange County commingles its bond proceeds, general funds, grants and other funds consistently. They operate each financing entity as a separate enterprise and invest all funds collectively in a variety of investments. Monthly, we are required to allocate a single entry of income to each account within the commingled fund in order to complete rebate computations. The uncommingling is completed in accordance with the Regulations and GAAP.

Amtec has assisted Orange County to reduce its annual arbitrage rebate expense budget by 50% since our engagement began in 2003. Orange County is extremely pleased with the level of service they receive from Amtec and Michael Scarfo, the Amtec Team Leader for the engagement. Mr. Scarfo would be assigned to the Team for the City, should Amtec be selected as your arbitrage consultant.

Issuer	Scope of Engagement
Massachusetts Port Authority (MassPort)	Arbitrage Rebate Computations

Amtec was retained by MassPort in 2001 to complete rebate computations for each of their bond issues. The Authority issues fixed and variable yield bonds and commercial paper and are AMT and Non-AMT for tax-exempt purposes. In total, there is more than \$5 billion in issuance under our consulting agreement.

Prior to Amtec's appointment, MassPort performed rebate calculations in-house with the assistance of bond counsel. Due to the growing expense of this method of calculation, MassPort conducted the RFP and selected Amtec. They have saved thousands of dollars by transferring this function from bond counsel to Amtec. Amtec maintains an arbitrage management database for all computations, computation dates and schedules as part of its responsibility for MassPort.

Issuer	Scope of Engagement
County of San Diego	Arbitrage Rebate Computations

Upon our initial appointment in 2003 we restated 100% of the prior rebate computations prepared by other nationally recognized firms. The oldest of which was issued in 1993 and has since been retired. Following the restatement of the rebate computations, we worked with the County to provide rebate reports annually.

The County issues fixed and variable yield bonds, combination tax-exempt and taxable issues and is a conduit issuer for other 501(c)(3) organizations.

Rebate reports are now delivered on a systematic, annual cycle for all of the County's bond issues. In addition to annual formal rebate reports, the County also receives an Annual Report that provides management with an executive summary of the state of the bond issues including any accumulated liability, status of exceptions from rebate and the rate of return from the County's investment selection.

Amtec was recently reappointed in 2007 to continue as rebate consultant through 2012.

Issuer	Scope of Engagement
Massachusetts Development Finance Agency (MDFA)	Arbitrage Rebate Computations

MDFA is a conduit bond issuer for a variety of health, educational and industrial development projects. Amtec computes rebate for more than 80 conduit issues of MDFA. Each financing is associated with a Series of Commercial Paper that resets the interest rate every 270 days. These issuances are considered variable yield bonds for federal tax purposes and contain liquidity features. Additionally, the Regulations require varying temporary periods for the initial loans and repayments, resulting in a variety of yield restrictions and yield reduction payments. These determinations are in addition to the rebate liability generated by the low yielding bonds.

Issuer	Scope of Engagement
New Jersey Economic Development Authority	Arbitrage Rebate Computations

Amtec was selected through the RFP process in 2005. We have completed rebate computations for 11 issues that aggregate more than \$6 billion in par value. The proceeds are used for a variety of capital projects for school construction and renovation. Amtec maintains an arbitrage management database for all computations, computation dates and schedules as part of its responsibility for the NJEDA.

The Authority issues bonds that average \$500 million in par value. As these bonds are refunded, Amtec has developed and maintains a database that includes the transferred proceeds calculations for each of the refunded issues.

Issuer	Scope of Engagement
State of Connecticut	Arbitrage Rebate Computations

Amtec was selected through the RFP process by the State of Connecticut in November 2002. We have completed several computations for Connecticut General Obligation Bonds, Certificates for specified government buildings, Special Tax Obligations for road and bridge infrastructure, Revenue Bonds for Bradley International Airport, Clean Water, Waste Water and the University of Connecticut. Amtec maintains an arbitrage management database for all computations, computation dates and schedules as part of its responsibility for the State.

Constraints of the Regulations and Amtec Experience

The proceeds of all tax-exempt bonds are governed by the Arbitrage Regulations. While the Regulations are consistently applied to each bond issue, there are nuances between issues and types of projects that can be limiting based upon various elections that the issuer may make.

As an example, all bond issuers are entitled to a three-year Temporary Period during which time the investment yield of bond proceeds is unlimited, but subject to rebate, unless a spending exception is achieved.

The unrestricted three-year Temporary Period is shortened when the issuer refunds any of the Bonds associated with the original issue before the Temporary Period ends. When this occurs, as it did regularly in 2002 following the interest rate decline in 2001, the Temporary Period ended and all bond proceeds become yield restricted. Issuers cease to make rebate payments and are required to make yield reduction payments on the proceeds if the investment yield of the proceeds is greater than the yield on the Bonds.

Another constraint placed on issuers occurs when they attempt to achieve a spending exception from rebate that is based on the number of months from the date of the closing and the required percentage expenditure of bond proceeds. As long as issuers achieve the spending benchmarks, they may retain 100% of the investment earnings, regardless of the yield. However, when a benchmark is missed, the issue becomes a rebate issue and any excess earnings must be paid as a rebate to the United States Treasury.

There are many more constraints that are applied as a result of certain actions by issuers. As your rebate consultant, we have the professional experience to identify and resolve these complexities of tax-exempt finance. During the planning stages of a new issue, we have the ability and will assist the City, its counselors and financial advisors with the potential impact of variance issue nuances *before* final action has been taken.

Examples of Amtec's Rebate Computations

We have included two work examples. All rebate computations are completed at our centralized location in West Hartford, CT.

The work examples are discussed below and the Reports are included in the Appendix.

\$23,325,000 Charleston County School District, South Carolina General Obligation Bonds Series 2006

This is a unique Issue. The Bonds were issued on September 14, 2006 and matured on March 1, 2007. The accumulated rebate on the maturity date of the Bonds exceeded \$39,000. However, Amtec determined that the District is not required to pay this rebate amount since it continues to qualify for the Eighteen-Month Exception from Rebate (1.148-7(d)(1)).

Under the Regulations, an issuer may have an accumulated rebate liability and not be required to rebate its excess earnings so long as it continues to qualify for an exception from rebate. (1.148.3(e)(2)) There are four exceptions from rebate and Amtec checks each exception before delivering rebate reports to our clients. Issues that fail to qualify for an exception from rebate are subject to the rebate rule (1.148.3(a)).

In this instance, the District can qualify for an exception from rebate following the maturity of its Issue. Should the District fail to qualify in the future, the accumulated rebate amount, representing the excess earnings, would become payable to the United States Treasury as a rebate.

\$4,100,000 North Padre Island Development Corporation (a not-for-profit local government corporation acting on behalf of the City of Corpus Christi, Texas) Tax Increment Contract Revenue Bonds, Series 2004

This is an issue of bonds by a not-for profit government corporation acting on behalf of the City of Corpus Christi. Although the yield is fixed, this is a Tax Increment Revenue Bond and contains a Project Account and a Debt Service Fund. The Issue must comply with the Regulations during the construction period for rebate exceptions (1.148.3(e)(2)) or rebate (1.148.3(a)) and following the construction through the maturity of the bonds as a result of its revenue structure (1.148-1 (b)).

- B. Describe the legal expertise available within or to your firm, particularly with regard to the provisions of Section 148(f) of the Internal Revenue Code and corresponding regulations. Describe the assurance you can provide the City that work performed is consistent with federal tax and other applicable laws. Explain whether the necessary legal advice will be provided within your firm or by a subcontractor, explain with specificity the attorney's professional qualifications to issue opinions for a client located in the State of Florida, and explain the scope and extent of the legal representation. Describe any legal opinions that may be required to support each arbitrage calculation, and describe the scope and extent of representation in the event of proceedings before the Internal Revenue Service or in other legal proceedings.**

NOTE: If the requisite legal expertise is available within your firm, describe your firm's expertise with the relevant provisions of the Internal Revenue Code and applicable rules and regulations. If the legal advice is to be provided outside your firm, identify the source of this expertise and explain the source's knowledge of the relevant Code and Regulation sections. Explain any mark-ups you will add to the cost of outside legal advice. Provide an estimate of the scope and cost of legal advice, including estimated hours and fee rates.

There are several types of firms that compute rebate including law firms, accounting firms and financial advisory firms such as Amtec. We acknowledge that the origin of arbitrage and rebate are legal in nature. However, the application of the Code and the Regulations, as it applies to a bond issue, is a management and financial issue.

Although attorneys have the ability to solve financial problems, the Regulations do not require an attorney to compute rebate. We believe the expertise brought to the table by municipal finance experts like Amtec, who understand the Code and the Regulations, provides a broader perspective.

We have the ability to accurately compute rebate in compliance with the law and are also able to convey our findings and recommendations to management in a more meaningful and cost effective manner.

Amtec's Opinion

Amtec is not a law firm and does not provide a "legal opinion." Amtec provides its "professional opinion" with each rebate computation delivered. Our professional opinion, which is located in the Appendix section on page A-2, is generally broader than most legal opinions and clearly provides the assurance that *"The methodology used is consistent with current tax law and regulations and may be relied upon in determining the rebate liability."* Amtec's opinion is legally enforceable and it binds us to our computations.

Amtec's professional opinion should provide the City with the same or enhanced level of confidence of a legal opinion issued by a law firm. Amtec backs its opinion with 100% of its resources and a multi-million dollar professional liability insurance policy. No claim has ever been filed against Amtec.

Many multi-line large law firms do not pledge 100% of their resources to rebate computation services and, while these firms are very large, their exposure is significant in a variety of other areas that can dilute the resources required to defend a rebate determination.

Amtec's only line of business is arbitrage rebate computations. Therefore, it is incumbent upon us to be experts in the application of Section 148 of the Code and to complete all computations in accordance with the Regulations thereunder.

If Bond or Tax Counsel Is Needed

Over the years there have been a few rebate computations requiring clarification of the use or investment of certain bond proceeds. In each of these instances, questions arose because the anticipated result of the rebate computation differed from the actual results. It became necessary to consult with the *Issuer's bond counsel* (not Amtec's counsel) for resolution.

Since it is the Issuer's Bond and Tax Counsel who authored the tax opinion, it is critical to resolve any ambiguities with the original author of the document in order to maintain the integrity of the tax-exempt status of the bonds. Invoking bond counsel of the arbitrage consultant to resolve the ambiguity of an issuer's Tax Certificate will generally not resolve serious tax matters.

Although Amtec retains bond counsel *at its own expense* for certain matters, we strive to resolve substantive issues relating to compliance with the Issuer's Bond and Tax Counsel. We do not see the added value of obtaining a legal opinion for rebate computations, in addition to Amtec's professional opinion. Although we have the ability to obtain a legal opinion for rebate calculations, it only increases the arbitrage calculation fee.

Legal Expertise Available to Amtec

Having said the above, we also acknowledge that occasionally an issue arises where the opinion of counsel is required. For these instances, Amtec has developed a working relationship with the nationally recognized law firm of Nixon Peabody LLP. We would not hesitate to invoke their services, if it were necessary to resolve a complex issue. If we are required to call upon Nixon Peabody LLP for legal assistance for this engagement, *the cost of these services would be absorbed by Amtec.*

B. Approach Section – Should describe your understanding of the City’s needs, the objectives to be accomplished, and should refer to the Scope of Services of this Request for Proposal.

Amtec’s Understanding

The City has issued several series of bonds for its capital projects over the years. In order to maintain its high credit rating and ability to issue debt in the future, the City is required to maintain its financial standing after the sale of the bonds. The care and diligence that has been undertaken to issue bonds and build quality facilities does not cease when the bond proceeds have been received. Therefore, it is necessary to extend the diligence beyond the bond sale and the capital improvement process.

It is clear that the City understands its responsibilities under the Code and the Regulations regarding the investment of bond proceeds, the computation of arbitrage rebate and tax-compliance. It is also clear that the City has diligently caused the arbitrage rebate to be computed on a regular basis following the issuance of bonds.

The City is now seeking Proposals from qualified firms to ensure that the level of expertise and service it deems necessary to maintain tax-compliance and support is available in the market place and that the fees associated with these services are fair and equitable.

The RFP process becomes difficult when a municipality utilizes a single service for a period of years. The municipality may not be dissatisfied with its current consultant and the thought of changing consultants is unpleasant for the following reasons:

- The arbitrage rebate function is so arcane that competent competitors are difficult to find;
- The staff may be very comfortable with the current consultant; and
- The amount of effort necessary to replace the arbitrage consultant may be greater than the anticipated budget savings, if any.

For every reason not to review the current consultant, there are several more that should not be overlooked when considering a new consultant:

- The City will receive fresh ideas and a new approach to services;
- More qualified professional staff will focus on the engagement;
- The abilities and experience of a specialized arbitrage consultant are focused on compliance *and* increased earnings; and
- Significant savings in budget dollars and the potential for increased investment income that may be generated by Amtec’s arbitrage services.

Amtec understands what is important to the City from our service to more than 2,300 clients, 460 of which are cities. We will provide a seamless transition and the continuation of arbitrage rebate compliance services. If appointed, Amtec will deliver the following objectives:

A complete legal review of all outstanding debt issues. This will determine that all previously computed rebate amounts are correct. Typically, rebate computed by other nationally known firms is accurate and we would not expect to find fault with any prior calculations.

By reprocessing all of the prior activity, back to the delivery date of the bonds, the City will only need the most current Amtec rebate report to encompass 100% of the bond and investment activity from the date of the bond sale to the most current period. Absent of this service, the City would need two reports: the prior consultant's through September 30, 2005 (for example) and the new consultant's from October 1, 2005 going forward.

Immediate comprehensive catch-up rebate computations through June 30, 2007. Many of the City's Issues have rebate computations through September 30, 2005 or earlier. Amtec will immediately catch-up all calculations through June 30, 2007 and provide the City with updated information.

Issuance of annual rebate computations as of September 30, 2007. Based upon what we have read in this RFP, it appears to us that the City prefers to receive its rebate computations on September 30 each year. Amtec will be in an excellent position to deliver formal rebate reports to the City as of September 30, 2007 and annually thereafter. We will also deliver formal Computation Date reports (five-year) as bond anniversary dates occur during the year. Should the City wish to change its arbitrage report dates to any other date(s) throughout the year, we will adjust the computation schedule to provide this service.

Amtec will deliver the complete Scope of Services requested by the City and additional services that have not been requested. These additional services will assist the City with managing its obligations under the Code and the Regulations. We have discussed Amtec's Scope of Services on pages 14 -19.

Comprehensive support in the event of an IRS review or audit. Should the City's rebate computations be reviewed by the IRS or any other authority, Amtec will assist the City, regardless of the time requirement or scope of audit. There is never any additional fee for this service. Amtec will remain responsible for our calculations and be in a position to explain our methodology or discretionary actions to the City, its counselors, advisors or the IRS.

C. Methodology Section – Should include the following:

- (1) Brief explanation of circumstances requiring methodological discretion and the firm's recommended approach to addressing such circumstances. Specific examples of how such discretionary measures can impact analyses performed on complex debt issuances are preferred. Examples might include allocation of commingled funds, identifying and advising on optional elections available to the City, and utilizing market vs. present value for identifying fund balances.**

Circumstances requiring methodological discretion are driven by two considerations. The first is to distance the client as far as possible from potential challenges by the IRS. The second is to select the method that will lawfully reduce the amount of the arbitrage liability.

There are differing calculation methodologies, allocation options, investment valuation methods and optional rebate exception choices. Each is discussed below.

Rebate Calculation Methods

Non-Purpose Method – This method requires the analyst to measure the investment from bond proceeds. As the investment balance decreases, proceeds are being spent on the project. Therefore, the yield on the investments can be measured against the bond yield and the rebate can be determined.

Purpose Method – This method requires the analyst to measure only disbursements of bond proceeds. By doing so, the investment income retained in the project account will always be included in the account balance, until spent. The yield on the proceeds portfolio can be determined from the amount of disbursements made and the unspent balance. This yield is compared to the bond yield to determine the rebate amount.

Purpose and Non-Purpose Method – This method is a combination of the above. It measures the investments and disbursements, nets the two to determine the portfolio yield, which can be measured against the bond yield to determine the rebate amount. The method selected by the consultant is generally based on their sophistication with bond issues, fund accounting and the arbitrage regulations. Properly applied, the rebate results will be identical. However, it has been our experience that these methods are not always properly applied and rebate results may vary.

Amtec uses the Purpose Investment Method due to our broad understanding of the regulations and the structure of bond issues. This method is extremely efficient, provided the consultant has the expertise to understand how it is applied and maintains adequate internal controls to ensure the outcome is accurate and in accordance with the Regulations.

Investment Valuation Methods

Market Value Method is defined as the market value of an investment, plus accrued interest.

Plain Par Investment is an investment that is purchased with not more than a de minimis amount of original issue discount or premium (2% of the stated redemption price at maturity).

Present Value Method discounts all future principal in interest payments, at the original yield that the investment was purchased, to the date of the calculation.

Valuation of Assets. Serious errors can occur when using the market value approach for investments in a rising or falling interest rate environment. If investments are recorded in the rebate computation at market value, an unrealized gain will falsely inflate the rebate liability.

Therefore, it is extremely important to select the valuation method that is consistent with the Regulations and does not inflate the potential rebate liability. The Present Value approach is preferred over the Market Value of assets in many instances and provides consistent values in both rising and falling interest rate environments.

Other Examples of Methodological Discretion

Commingled Funds. We apply discretion when dealing with any commingled fund. This may require us to establish separate cash flow schedules and investment income allocations that are based upon the overall rate of return and the beginning and ending balances for each fund that is commingled. Once this process is completed, we have the ability to directly trace expenditures to disbursements of bond proceeds or we can allocate a portion of each expense within the fund to project expenditures.

Allocations of Expenditures. The rebate amount may be lawfully reduced through the allocation of expenditures to bond proceeds for qualified expenses that were not initially reimbursed by bond proceeds. It is possible that an issuer fails to qualify for a spending exception from rebate and incurs a rebate liability. An exception from rebate may occur through the allocation and reimbursement of qualified expenditures to the proceeds.

These discretionary examples are considered low risk from an IRS review perspective and they must be analyzed in almost every rebate computation when the spread between the bond yield and investment yield is narrow.

Rebate Computations vs. Rebate Exceptions. We always determine if an exception from rebate should be taken when the bond issue has not generated a rebate liability. Generally, we prefer to utilize the rebate rule versus the rebate exception if negative arbitrage has been generated. Through the use of negative arbitrage accruals, we may be able to offset a potential rebate liability from another account.

Technical Proficiency. Amtec often utilizes its interpretation and judgment when making rebate determinations. Each decision is solidly based and explained to our clients. If there is a circumstance that we believe to be extremely unusual, we would provide our ideas to our client in advance of reflecting it in our computations. We would present both sides of this issue and discuss the financial and regulatory impact of the decision.

(2) Detailed description of efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Services" section.

Details of the Amtec Process and Service Specifications

Beyond accurate rebate computations, no objective is more important than client satisfaction. Client satisfaction is the cornerstone of Amtec's success and growth since 1990. Amtec has never had a dissatisfied client nor have we ever had a client that has changed service providers following an RFP. We will allocate the necessary resources to provide service excellence to the City. This is our guarantee. We encourage the City to verify this claim by contacting any of our clients.

Service Specification Steps - Defined

Issuance of Annual, Computation Date and Intra-Year Reports. Amtec has built its loyal client base on the timely delivery of annual rebate reports. Annual reporting assists our clients with their investment strategy and enables them to focus on earning the maximum amount of income allowable under the Regulations. By waiting until the fourth or fifth bond year to determine the rebate liability, the bond proceeds are spent and the client has no ability to reinvest more aggressively when it is determined that negative arbitrage was generated. In the case when a rebate liability has accumulated, the client has to pay the rebate from its general funds rather than from the excess earnings generated by the bond issue.

Amtec intends to deliver formal rebate reports for every bond issue subject to the Regulations annually, as of each fiscal year end of the City and on Computation Dates. We will also be able to provide intra-year status spending reports for construction issues. Reports will be delivered within 20 days after receiving the requisite bond and investment data.

Verify that the issue is subject to the Rebate Requirement. Initially, the Tax Agreements, Official Statements and other relevant documents are reviewed. The Tax Agreement, prepared by bond counsel, provides information about the bond proceeds and other funds that could be subject to rebate and information relating to rebate exceptions. These documents provide the information which enable us to complete an independent verification of the bond yield.

Calculate the bond yield. Since the bond yield is the basis for arbitrage liability, ensuring that all amounts are identified and applied in accordance with the Code, is extremely important. Amounts used to pay the original issue discount, premiums and qualified guarantee payments are needed to complete this process.

From the information gathered in the bond document and review process, Amtec independently computes the bond yield for each fixed yield issue. Occasionally, the fixed bond yield provided to bond counsel by the underwriter is not complete or may contain inaccuracies. Through Amtec's independent verification of the bond yield, the City will be assured that the bond yield has been recomputed in accordance with the Regulations and is correct.

The bond yield for the City's variable rate bonds, if any in the future, will be computed on each rebate computation date. As an example, if the rebate was computed at the end of the first bond year, the yield on the bonds would also be computed.

The Regulations allow the issuers of variable rate bonds to align periods of high interest rates on their bonds and investments in an effort to minimize rebate. Amtec uses its discretion as to which periods or variable bond years will produce the least amount of rebate.

Reconciliation of Gross Proceeds. The Tax Agreement is used to reconcile the sources and uses of funds which can be tracked into the various bond and capital accounts. This step is important because the correct amount of bond proceeds must be identified and measured in order to ensure that the final rebate results are accurate. Failure to perform these initial steps violate the integrity of the rebate computation work which must follow.

An issue containing transferred proceeds is easily identified in the Tax Agreement. Steps to compute the transferred proceeds are evident and performed systematically with current and advance refundings.

Commingled funds are not evident until the rebate computation has commenced. Our analysis of the various asset accounts will provide evidence of a commingled fund. Once detected, we can utilize our internal process to uncommingle bond proceeds from non-bond proceeds and compute the rebate accurately.

Occasionally, an issuer commingles general funds or other bond proceeds from multiple issues and may not be aware that the commingling has occurred. Amtec is experienced in detecting these situations. Our internal controls have been designed to provide the rebate amount, investment income and rate of return for each bond fund or account. Our expertise, which has been derived from the completion of more than 2,300 rebate computations per year, provides special insight that only this experience can offer. Our analysts have historical experience with every type of qualified investment and our internal controls highlight unusual rates of return, either high or low, which are often the result of commingling. When this occurs, we use our expertise and provide a series of tests that will easily identify the transactions that cause most aberrations in rebate computations.

Solving for Rebate – Future Value Computation Methodology. Amtec utilizes listings of disbursements, investment records and accounting ledgers to solve for the rebate amount. This process is repeated one account at a time, if more than one account has been established for an issue. Amtec utilizes the future value methodology, as required by the Regulations, to determine the rebate amount. Each rebate amount, either positive or negative, is determined along with the rate of return of the investment portfolio for each fund. The portfolio returns must be consistent with the computed investment yield.

Executive Summary. Each formal Amtec rebate and yield reduction report includes:

- A transmittal letter; and
- The professional opinion of Amtec.

Please see the Appendix Section on page A-2 for the Amtec professional opinion to be used for this engagement.

Please see the mathematical proof that Amtec's computation methodology is in accordance with the Regulations in the Appendix Section on pages A-3 and A-4.

- Executive Summary of Rebate and Yield Reduction Analysis;
- Balanced Sources and Uses of Funds;
- Bond yield computations;
- Rebate and Yield Reduction documentation, if any;
- A summary of computational information and definitions;
- Completed IRS Forms when required; and
- Detailed letter of instructions if a rebate and/or yield reduction payment is due to the U.S. Treasury.

The above will be completed within 20 days of receiving the required bond and investment data.

Investment Portfolio Evaluation. Along with the disbursement listings, we gather information on the unspent bond proceeds and investments. We value each investment for every calculation. We follow the regulatory valuation requirements and select the most advantageous valuation method for our clients. The most advantageous valuation is the one that produces the smallest amount of rebate. We use care in these determinations to ensure market value fluctuations do not give rise to erroneous rebate returns.

As a final control, we identify the total income from the portfolio and compare these amounts to the bank or City records. Project disbursements and investment income amounts are also balanced ensuring that all items have been identified and are recorded in the general ledger.

Rebate Consolidation. We solve the rebate for each account within a specific issue. Once each separate account has been solved and reconciled, the entire report is consolidated and the rebate amount is identified.

The consolidation produces a blended rate of return and rebate amount for all accounts within an issue. We also provide the individual computations for each fund so our clients can easily determine which funds are generating arbitrage profits and which are generating losses.

Testing for Rebate Exceptions and Penalty in Lieu of Rebate Elections. Once we have determined the rebate amount, we continue to test for exceptions from rebate. If a rebate liability has accumulated *and* the issue qualifies for an exception from rebate, we will issue our opinion utilizing the rebate exception criteria and the rebate would not be payable.

If a client has elected to pay a penalty in lieu of rebate, we would discover this election during our bond document review and apply the penalty test and remit any penalty on a timely basis in accordance with the Regulations.

Preparation of all filings required by the Internal Revenue Service necessary for the payments of arbitrage rebate or refunds.

Comprehensive Reports and Opinions. The rebate report is a formal document issued together with an executive summary, all computation schedules and the professional opinion of Amtec. Our opinion cites the various computation methodologies used to arrive at the rebate or yield reduction amount.

If the issue qualifies for a rebate exception or we were required to treat proceeds differently, each process is identified. Proceeds subject to rebate exception, yield reduction and restriction are clearly defined in our final documentation and are reflected on each annual rebate report.

During the course of our engagement, a review of the City's record keeping process and investment policy is conducted. We survey whether the accounting is adequate and the process followed meets the requirements of the Code.

We review the level of detail provided to ensure it is reasonable and consistent with generally accepted accounting practices for bond proceeds. Occasionally, we have discovered that issuers create a second tier of accounting strata to support the rebate function. In most cases, this is not required and the time and resources spent maintaining this system can be put to other uses.

If an irregularity or duplication of effort were detected, we would provide recommendations for increased controls, more accurate record identification or simplification of the internal process. Recommendations for changes in these, or any other policies that come to our attention, would be immediately documented for the City. If changes are required, they would also be documented for the City.

Arbitrage Training of City Staff. Provide an arbitrage training program for City personnel to improve a better understanding of the arbitrage rebate function and funds and records management, if requested.

Record Retention and Electronic Off Site Back-Up. We will provide the City with electronic back-up of all data and reports generated by Amtec for a period that extends six years after the redemption date or last maturity date of an issue. This data is created daily and moved off-site to a secured storage facility.

Should the City require additional support or assistance with records retention, documentation or retrieval of any items that are related to its rebate computations, they will be made available by Amtec, upon request.

Proved a legally enforceable opinion. The professional opinion of Amtec, which has been carefully drafted by bond counsel and our CPA to provide the most in-depth comfort to our clients, states "*...the methodology used is consistent with current tax law and regulations and may be relied upon in determining the rebate liability.*" The opinion could only be as broad as it is due to Amtec's computation methodology and process, which has sustained the scrutiny of the IRS over the years.

Report Delivery. Amtec will provide as many reports as the City requests.

IRS Reporting. Should a rebate liability exist on a computation date, Amtec would prepare the required transmittal documents for IRS reporting. The completed documentation and letter of instructions would be provided within 20 days of receipt of the required documentation, which should be in excess of 30 days prior to the payment due date.

IRS Representation by Amtec to assist the City with any inquiry by the IRS for any rebate computation questions while the contract is in effect. Additionally, Amtec will discuss its computations and strategies with the City and its consultants, prepare for meetings and attend teleconferences, as requested.

Coordination of Documentation. Amtec will develop a seamless system for document and financial data retrieval.

Regulatory Changes and Requirements are continually monitored. As changes occur, we adjust our processes accordingly. Any regulatory change that may have any effect on our clients is conveyed to that client. Additionally, should a regulatory change require the restatement of an arbitrage or yield reduction calculation, Amtec will complete the necessary computations for no additional fee.

Amtec Performs the Following Services for No Additional Fee

Maintenance of the City's Arbitrage Database

The key data gathered in the Executive Summary is also used in the master database for Amtec's work schedule and shared with the City. This information includes the rebate amount, payment due dates and associated fees for each bond calculation under management. This information will be updated regularly so the City can see the proposed arbitrage work schedule and the associated fees at any point in time. This information will be distributed as changes occur, but it is always available upon request.

Computation of Interest and Penalties transmittals and forms are prepared by Amtec if the City is required to file with the U.S. Treasury. This includes the computation of penalties and interest if the City ever overlooked the timely payment of a rebate or yield reduction payment in the past.

Calculation of Penalty in Lieu of Rebate would be determined, if elected. Although it is highly unlikely that the City would select this option, Amtec will compute the 1½% Penalty in Lieu of Rebate every six months, when required, over the life of a bond issue. If a penalty amount is due, Amtec will prepare the necessary forms, transmittals and instructions.

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Amtec's Scope of Services – Summary

- Verification that each issue is subject to the rebate requirements.
- Calculation of the bond yield.
- Calculate the gross proceeds through a reconciliation of the sources and uses of funds.
- Calculate of the yield on all investments, subject to rebate and yield reduction, annually and upon the date that all bonds of an issue are retired.
- Determine the arbitrage rebate and/or yield reduction liability.
- Verification of whether a penalty in lieu of rebate has been elected.
- Test for exceptions from rebate.
- Written explanation of the computation methodology and recommendations for rebate reserves. Each rebate report includes a written explanation of the methodology, assumptions and conclusions employed. Recommendations for rebate reserves or the elimination of negative arbitrage and recommendations for changes in record keeping and investment policy accompany each report.
- Delivery of updated calculations and formal rebate reports, rebate exception reports and penalty in lieu of rebate reports, each indicating the above stated information; the issuance of the Amtec professional opinion stating that the computations are in accordance with the Code and Regulations.
- Delivery of appropriate documentation required to support all computations with each rebate report.
- Unlimited consultation with City personnel, as necessary, regarding arbitrage related matters. Consultation on the results of our Report with staff, bond counsel, auditors, trustees and the IRS, if requested.
- Monitoring of the City's ongoing compliance with all arbitrage requirements for its tax-exempt bond issues and the safeguarding of completed projects for a period of six years after the final redemption date of each issue.
- Assurance to the City that all issues are in compliance with the Regulations.
- Guarantee of the completeness and accuracy of our work, computation methodology and positive compliance with the Tax Code and the Regulations.
- Preparation of IRS Form 8038-T, accompanying documentation, payment instructions and report delivery, within 30 days of the final computation date and 30 days prior to the payment due date, should a rebate payment be required.
- Review of existing accounting and investment practices and recommendations for improvements, if required.
- Assistance in the planning stages of new bond issues to discuss possible rebate exceptions, various rebate liability with and without bond insurance; the pro-forma testing of anticipated expenditures of proceeds for rebate exception purposes based on a variety of investment scenarios.

- (3) Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion. Indicate if any additional tasks are considered necessary and/or advisable.**

Amtec's Plan for Service

Task	Procedure	Time Frame
Review all prior rebate computations and identify exceptions and rebate due dates.	Re-compute all prior reports in the Amtec format. Balance reports to prior rebate results and document discrepancies.	These steps can be completed within 15 days from the receipt of the prior rebate reports.
Develop a table of annual or semiannual computation dates for each issue.	Build database of information after a review of bond documents, bond year elections, prior rebate reports and any rebate liability.	These steps are completed within the same 15-day period specified above.
Computation of bond yield for all issues.	Develop amortization schedule, identify OID/OIP, guarantee payments and call data.	These steps are completed within the same 15-day period specified above.
Update all bond issues through June 30, 2007.	Once the bond yield has been computed, investment and disbursement activity, since the date of the last rebate report, would be processed.	We estimate that these computations would be completed with 15 days of appointment and receipt of the required documentation.
Fiscal Year End Reports as of September 30.	Update the bond and investment activity for all issues	We estimate that these computations would be completed with 15 days of appointment and receipt of the required documentation
Computations beyond September 30, 2007 and on Bond Computation Dates.	Rebate Reports and spending exception computations are processed from listings of investment and disbursement data that would be assembled regularly throughout the year.	We expect to issue all reports within 15 days of receiving the bond and investment activity statements.

- (4) Detailed description of the information and assistance you will require from City staff. Include needs for bond issuance and investment information, and any special reporting formats that may be required.**

Amtec does not require the City to create a new layer of accounting strata to provide us with the records required to compute rebate. As long as we are provided with investment and disbursement information from any accounting source, we are confident we will be able to provide our services with a minimum amount of support from City personnel. We do not require any special reporting format and the Excel format offered by the City will provide the necessary detail to complete our reports.

D. Project Organization and Staffing – Describe the approach and methods for managing the operation as well as the completion of this project. Provide a list of staff who will be assigned to the City’s account. Include a resume for each listed individual, with a description of their qualifications and nature of their previous assignments.

Amtec has assembled a Team of seven senior managers, middle management support staff members and clerical support for the engagement. There is a project manager, team leader and back-up manager for organizational purposes. Each team member is responsible for a portion of the engagement. The key personnel also share responsibilities as the lead contact for many similar engagements. Each key member of the Team assigned to the City is fully knowledgeable in the structure of fixed and variable yield revenue bond financing and the computation of rebate and the application of the Code and the Regulations.

The senior staff selected has an average of eighteen years experience working with tax-exempt bonds and rebate computations. The team effort ensures that checks and balances, required for complex assignments, are maintained to validate the integrity of each rebate report. The expertise of the Team also ensures that rebate reports will be completed in accordance with the reporting schedule. The senior staff assigned to the City is:

Name/Title	Years of Professional Service	Years with Amtec
William M. Pascucci, President (Primary Contact)	28	18
Raymond H. Bentley, Vice President (Team Leader)	10	8
Michael J. Scarfo, Vice President (Primary Back-up)	10	7
Samuel C. Lerner, Vice President	11	10
Leonor W. Snow, Vice President	15	4
Heather E. Place, Vice President	9	9
Bob Ross, CPA, Compliance Officer	23	4

The team effort ensures that checks and balances, required for complex assignments, are maintained to validate the integrity of each rebate report. The expertise of the Team also ensures that rebate reports will be completed in accordance with the reporting schedule. We expect that rebate reports for any issue will be delivered within 15 days of receiving the bond and investment activity from the City.

Professional Staff Resumes and Roles

William M. Pascucci, President and Primary Contact, developed the arbitrage tracking program for the State of Connecticut Health and Educational Facilities Authority in 1989 and served the firm of Roosevelt & Cross, Inc. as a vice president and investment banker for three years. Mr. Pascucci has a strong background in the feasibility, structure and quantitative analysis required by municipal bond issuers.

This expertise has been utilized to develop the arbitrage rebate computation methodology that is responsible for Amtec's growth and high standing among more than 2,300 municipal bond issuers throughout the United States.

Mr. Pascucci is recognized on a national level as an expert in the field of arbitrage. He has taught educational seminars to tax-exempt issuers, financial advisors and trustees throughout the United States. He is a member of the Government Finance Officers Association and the National Association of Bond Lawyers.

Mr. Pascucci is a graduate of Central Connecticut State University and has a degree in finance. He served in the U.S. Army between 1969 and 1971, including a tour of duty in Vietnam. While assigned to the 101st Airborne Division, he was awarded the Bronze Star and Air Medal.

Raymond H. Bentley, Vice President and Team Leader, is an officer of the firm and would be assigned to this engagement. He has eight years of rebate computation experience. Before working at Amtec, Mr. Bentley was a bond sizing analyst for a regional brokerage firm.

His duties included the bond sizing for proposed new money and refunding issues, the sufficiency of proceeds for project completion and the reinvestment of bond proceeds. Mr. Bentley is a graduate of Boston University with degrees in Mathematics and Accounting.

Mr. Bentley's tasks would include supervision of staff for all calculations including the computation of fixed rate rebate computations, uncommingling of funds, transferred proceeds calculations and the drafting of rebate reports for the engagement.

Michael J. Scarfo, Vice President and Primary Back-up, is an officer of the firm and would be assigned to this engagement. Before working at Amtec, Mr. Scarfo was an audit manager for a regional accounting firm. His duties included municipal audit and audit of 501(c)(3) organizations that had sold large tax-exempt debt issues.

Additionally, through various trade organizations, including the National Association of Bond Lawyers, Mr. Scarfo developed and presented a variety of educational materials to municipal and financial professionals on the topic of the municipal bond industry.

Mr. Scarfo has seven years of arbitrage rebate computation experience and his responsibilities would include the document review, balancing of the sources and uses of funds and the computation of the fixed rate bond yields. Mr. Scarfo will also review and balance data input by other staff and prepare drafts of the final rebate reports for review by senior management. Mr. Scarfo has a Bachelors Degree in Accounting from the University of Utah.

Samuel C. Lerner, Vice President, has eleven years of experience in computing arbitrage. Before working at Amtec, Mr. Lerner was an investment banker for a regional brokerage firm. As a relationship manager for his clients, his duties also included bond sizing for proposed new money and refunding issues.

Mr. Lerner worked extensively on developing efficient computer models to assist in refunding candidates and solutions to complex refinancings. He attended Rochester Institute of Technology and Central Connecticut State University where he earned a degree in Computer Science and Mathematics.

Mr. Lerner's duties would include the data input that leads to the solving for the rebate liability, valuation of assets and the issuance of the final rebate reports for review of senior management.

Leonor W. Snow, Vice President, has four years of experience in the computation of rebate. Before Ms. Snow began at Amtec, she was the chief marketing officer of an organization assembled to promote the investment of capital in the area of biomedical research. Through Ms. Snow's twelve years of work, she was responsible for the development of a tax-exempt bond program for private activity bonds issued for the development of manufacturing facilities built for the production of biomedical equipment. The expertise gained in the structuring and delivery of new tax-exempt bonds enables Ms. Snow to assist in Amtec's management of the engagement. She is a 1972 graduate of Southern Methodist University and received a Masters Degree in Business Administration from the University of Hartford in 1987.

Ms. Snow's duties would include the development and maintenance of the City's arbitrage database that contains key data relating to the status of the account.

Heather E. Place, Vice President, joined Amtec in 1998 and has nine years of experience in computing arbitrage. Before working at Amtec, Ms. Place was a bond analyst for a regional brokerage firm. Her duties included client contact and organization, developing statistics for underwriting purposes and cash flow needs for proposed bonded projects. Ms. Place is a graduate of the University of Connecticut and has a degree in Accounting.

Ms. Place's duties would include the computation of fixed rate rebate computations, verification of the rebate liability based upon the bond yield and assisting in the drafting of rebate reports for review by senior management.

Bob Ross, Certified Public Accountant and Compliance Officer is a former IRS agent, now a practicing licensed Certified Public Accountant. He has 23 years of diversified public experience, with heavy emphasis on government compliance auditing, non-profit corporations, local government entities, school boards, tax return preparation, representation before government agencies and lecturing for various organizations and universities.

Mr. Ross is a member of the American Institute of Certified Public Accountants, Association of Certified Fraud Examiners, the Kentucky Society of Certified Public Accountants, the National Association of Accountants and the National Association of Tax Practitioners.

Mr. Ross provides overall technical guidance relative to accounting and tax-compliance issues ensuring that each determination made by Amtec is in accordance with the Code and the Regulations enabling Amtec to issue our unqualified opinion.

- E. References – Provide a reference list of at least five municipalities for which your firm has provided arbitrage rebate compliance services for five or more bond issues over the past three years, including contact persons, telephone numbers and e-mail addresses. References from municipalities within the State of Florida are preferred.**

Name of Agency	Contact Name	Phone Number	Dates services provided (from/through)
Town of Palm Beach	Ms. Jane Struder 360 South County Road Palm Beach, FL 33480	(561) 835.4724	2007 – Current
Lake Highland Prep. School	Mr. Jim Bartlett 901 N. Highland Avenue Orlando, FL 32803	(407) 206.1919	2006 – Current
Guardian Foundation / Orlando	Mr. Arthur C. DeLozier 15 Piedmont Center, Suite 930 Atlanta, GA 30305	(404) 233.6500	2002 – Current
Academy at the Lakes Day School	Mrs. Dorie Burnham Academy at the Lakes Day School 2331 Collier Parkway Land O'Lakes, FL 34639	(813) 948.6823	2007 – Current
City of Greenville, SC	Mr. Don Miller 206 South Main Street Greenville, SC 29602	(864) 467.4539	1996 – Current
Charleston County, SC	Ms. Carla Creech 4045 Bridge View Drive North Charleston, SC 29405	(843) 958.4612	1996 – Current
City of Spartanburg, SC	Mr. Dennis Locke 145 West Broad Street Spartanburg, SC 29304	(864) 596.2059	2000 – Current

National References

Name of Agency	Contact Name	Phone Number	Dates services provided (from/through)
State of Connecticut Resources Recovery Authority	Ms. Bettina Bronisz 100 Constitution Plaza Hartford, CT 06103	(860) 757.7704	1996 – Current
State of Connecticut Development Authority	Mr. Hilary Scott 999 West Street Rocky Hill, CT 06067	(860) 258.7865	2001 – Current
State of Oklahoma Water Resources Board	Mr. Joe Freeman 3800 N. Classen Boulevard Oklahoma City, OK 73118	(405) 530.8800	2006 – Current
State of New Jersey Building Authority	Mr. Guy Tassi 50 West State Street, 5 th Floor Trenton, NJ 08625	(609) 633.9082	2003 – Current
Orange County, CA	Mr. Mark Finley 10 Civic Center Plaza Santa Ana, CA 92701	(714) 834.3749	2003 – Current
City of Tulsa, OK	Mr. David Bryant 200 Civic Center Tulsa, OK 74103	(918) 596.7620	2004 – Current

City of Corpus Christi, TX	Mr. David Hedberg 1201 Leopard Street Corpus Christi, TX 78401	(361) 826.3651	2002 – Current
Port of Bellingham, WA	Mr. John Carter 1801 Roeder Avenue Bellingham, WA 98225	(360) 715.7370	2003 – Current
Clark County, WA	Mr. John Payne 1300 Franklin Street Vancouver, WA 98666	(360) 397.2255	2003 – Current
San Bernardino County, CA	Ms. Katrina Turturro 385 N. Arrowhead Avenue, 4 th Floor San Bernardino, CA 92415-0120	(909) 387.3076	2006 – Current

F. Conflict of Interest - Written disclosure of any potential or questionable conflict of interest.

Amtec, its officers and employees do not now nor have they ever had a conflict of interest in connection with the arbitrage work proposed to the City of Fort Lauderdale, FL.

G. Timeline – Provide availability and proposed timeline.

Amtec has adequately trained staff, additional capacity, is able and prepared to begin rebate computations immediately upon appointment by the City. We have provided a detailed Plan for Service to reprocess all prior rebate reports within 15 days, deliver all catch-up calculations by June 30, 2007 and provide formal annual rebate reports as of September 30, 2007 and annually thereafter.

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/15/2007

PRODUCER (860)246-5387 FAX (860)829-1379
 May, Bonee & Walsh
 1224 Mill Street
 East Berlin, CT 06023
 Vanessa Mathews

INSURED American Municipal Tax Exempt Compliance Corp
 dba AMTEC
 998 FARMINGTON AVE., STE. 107
 SUITE 107
 WEST HARTFORD, CT 06107

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Charter Oak Fire Ins. Co.	25615
INSURER B: Travelers Indemnity Co	25658
INSURER C: Houston Casualty	XSB012
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	6805601A489	04/09/2007	04/09/2008	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOG				
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	6805601A489	04/09/2007	04/09/2008	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
	EXCESS/UMBRELLA LIABILITY OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	UB5601A594	04/09/2007	04/09/2008	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
C	OTHER Errors & Omissions Professional Liability(Claims Made)	H707-11882	04/15/2007	04/15/2008	Limit \$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Patrick Walsh/MAYVMI

Patrick R Walsh

NON-COLLUSION STATEMENT:

By signing this offer, the vendor/contractor certifies that this offer is made independently and free from collusion. Vendor shall disclose below any City of Fort Lauderdale, FL officer or employee, or any relative of any such officer or employee who is an officer or director of, or has a material interest in, the vendor's business, who is in a position to influence this procurement.

Any City of Fort Lauderdale, FL officer or employee who has any input into the writing of specifications or requirements, solicitation of offers, decision to award, evaluation of offers, or any other activity pertinent to this procurement is presumed, for purposes hereof, to be in a position to influence this procurement.

For purposes hereof, a person has a material interest if they directly or indirectly own more than 5 percent of the total assets or capital stock of any business entity, or if they otherwise stand to personally gain if the contract is awarded to this vendor.

In accordance with City of Fort Lauderdale, FL Policy and Standards Manual, 6.10.8.3,

3.3. City employees may not contract with the City through any corporation or business entity in which they or their immediate family members hold a controlling financial interest (e.g. ownership of five (5) percent or more).

3.4. Immediate family members (spouse, parents and children) are also prohibited from contracting with the City subject to the same general rules.

Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City Procurement Code.

NAME

RELATIONSHIPS

In the event the vendor does not indicate any names, the City shall interpret this to mean that the vendor has indicated that no such relationships exist.

No relationships exist.

BID/PROPOSAL SIGNATURE PAGE

How to submit bids/proposals: It is preferred that bids/proposals be submitted by hard copy. If mailing a hard copy, it will be the sole responsibility of the Bidder to ensure that his bid reaches the City of Fort Lauderdale, City Hall, Procurement Department, Suite 619, 100 N. Andrews Avenue, Fort Lauderdale, FL 33301, prior to the bid opening date and time listed. Bids/proposals submitted by fax or email will NOT be accepted.

The below signed hereby agrees to furnish the following article(s) or services at the price(s) and terms stated subject to all instructions, conditions, specifications addenda, legal advertisement, and conditions contained in the bid. I have read all attachments including the specifications and fully understand what is required. By submitting this signed proposal I will accept a contract if approved by the CITY and such acceptance covers all terms, conditions, and specifications of this bid/proposal.

Please Note: If responding to this solicitation through RFP Depot, the electronic version of the bid response will prevail, unless a paper version is clearly marked by the bidder in some manner to indicate that it will supplant the electronic version.

Submitted by:


(Signature)

(Date) June 19, 2007

Name (printed) William M. Pasuccic Title: President

Company: (Legal Registration) AMTEC

CONTRACTOR, IF FOREIGN CORPORATION, SHALL BE REQUIRED TO OBTAIN A CERTIFICATE OF AUTHORITY FROM THE DEPARTMENT OF STATE, IN ACCORDANCE WITH FLORIDA STATUTE §607.1501 (visit <http://www.dos.state.fl.us/doc/>).

Address: 998 Farmington Avenue, Suite 107

City West Hartford State: CT Zip 06107

Telephone No. (860) 623-5112 FAX No. (860) 236-7135

E-MAIL: bill@amteccorp.com

Delivery: Calendar days after receipt of Purchase Order (section 1.02 of General Conditions): see proposal timeline

Payment Terms (section 1.03): 30 days Total Bid Discount (section 1.04): None

Does your firm qualify for MBE or WBE status (section 1.08): MBE WBE

ADDENDUM ACKNOWLEDGEMENT - Proposer acknowledges that the following addenda have been received and are included in his proposal:

<u>Addendum No.</u>	<u>Date Issued</u>
Questions and Answers	June 14, 2007

VARIANCES: State any variations to specifications, terms and conditions in the space provided below or reference in the space provided below all variances contained on other pages of bid, attachments or bid pages. No variations or exceptions by the Proposer will be deemed to be part of the bid submitted unless such variation or exception is listed and contained within the bid documents and referenced in the space provided below. If no statement is contained in the below space, it is hereby implied that your bid/proposal complies with the full scope of this solicitation.

Variances:

Amtec's Professional Opinion

We have prepared certain computations relating to the above captioned bond issue (the "Bonds") at the request of the City of Fort Lauderdale.

The scope of our engagement consisted of preparation of the computations shown in the attached schedules to determine the Rebatale Arbitrage as described in Section 103 of the Internal Revenue Code of 1954, Section 148(f) of the Internal Revenue Code of 1986, (the "Code"), as amended, and all applicable Regulations issued thereunder. The methodology used is consistent with current tax law and regulations and may be relied upon in determining the rebate liability. Certain computational methods used in the preparation of the schedules are described in the Summary of Computational Information and Definitions.

Our engagement was limited to the computation of Rebatale Arbitrage based upon the information furnished to us. In accordance with the terms of our engagement, we did not audit the information provided to us, and we express no opinion as to the completeness, accuracy or suitability of such information for purposes of calculating the Rebatale Arbitrage.

American Municipal Tax-Exempt Compliance Corporation

By: William M. Pascucci, President

Regulatory and Mathematical Accuracy Confirmation

The regulatory and mathematical accuracy of our rebate computation methodology can be tested when the service provider prepares a computation that has been published in the rebate regulations. To demonstrate, Example 1, contained in the regulations, is compared to Example 2, prepared by Amtec on the page that follows. The results are identical with the exception of rounding.

The following computation is from the Internal Revenue Code, Section 148 Rebate Regulations and has been extracted exactly as printed below.

1.148-3j - General arbitrage rebate rules and Examples.

Example 1. Calculation and payment of rebate for a fixed yield issue. (I) Facts.

On January 1, 1994, City A issues a fixed yield issue and invests all the sale proceeds of the issue (\$49 million). There are no other gross proceeds. The issue has a yield of 7.000 percent per year compounded semiannually (computed on a 30 day month/360 day year basis). City A receives amounts from the investment and immediately expends them for governmental purpose of the issue as follows:

	Amount
2/1/94	\$3,000,000
4/1/94	5,000,000
6/1/94	14,000,000
9/1/94	20,000,000
7/1/95	10,000,000

(ii) **First computation date.** (A) City A selects a bond year ending on January 1, and thus the first required computation date is January 1, 1999. The rebate amount as of this date is computed by determining the future value of the receipts and the payments for the investment. The computation interval is each 6-month (or shorter) period and the 30 day month/360 day year basis is used because these conversions were used to compute yield on the issue. The future value of these amounts, plus the computation credit, as of January 1, 1999, is:

	Receipts (Payments)	FV (7.0000 percent)
1/1/94	(\$49,000,000)	(\$69,119,339)
2/1/94	3,000,000	4,207,602
4/1/94	5,000,000	6,932,715
6/1/94	14,000,000	19,190,277
1/1/95	(1,000)	(1,317)
9/1/94	20,000,000	26,947,162
7/1/95	10,000,000	12,722,793
1/1/96	(1,000)	(1,229)
Rebate amount (1/01/1999)		\$878,664

(B) City A pays 90% of the rebate amount (\$790,798) to the United States within 60 days of January 1, 1999.

Amtec's Example

Verification of the Regulatory and Mathematical Accuracy of Amtec Computations

ARBITRAGE REBATE CALCULATION DETAIL REPORT

DATE	DESCRIPTION	RECEIPTS (PAYMENTS)	FUTURE VALUE AT BOND YIELD (OF 7.000000%)	FUTURE VALUE AT BOND YIELD (OF 7.000000%)
01-01-94	STARTING BALANCE:			49,000,000.00
02-01-94		3,000,000.00	4,207,602.40	49,281,751.94
04-01-94		5,000,000.00	6,932,714.69	49,850,125.38
06-01-94		14,000,000.00	19,190,276.94	50,425,053.95
09-01-94		20,000,000.00	26,947,161.62	51,299,903.29
01-01-95		-1,000.00	-1,316.81	52,490,025.00
07-01-95		10,000,000.00	12,722,792.63	54,327,175.88
01-01-96		-1,000.00	-1,229.26	56,228,627.03

01-01-99	TOTAL:	51,998,000.00	69,998,002.21	69,119,339.27

01-01-99	REBATEABLE ARBITRAGE (AT INVSTMT YIELD OF 8.956104%)			878,662.94

REBATE REPORT

\$23,325,000

**Charleston County School District,
South Carolina**

**General Obligation Bonds
Series 2006**

**Dated: September 14, 2006
Delivered: September 14, 2006**

**Prepared By
Amtec
March 20, 2007**

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ARBITRAGE REBATE REPORT

\$23,325,000

Charleston County School District,
South Carolina

General Obligation Bonds
Series 2006

Dated: September 14, 2006
Delivered: September 14, 2006

Rebate Report to the Final Computation Date
March 1, 2007
Reflecting Activity To
March 1, 2007

We have prepared certain computations relating to the above captioned bond issue (the "Bonds") at the request of the Charleston County School District (the "District").

The scope of our engagement consisted of preparation of the computations shown in the attached schedules to determine the Rebatable Arbitrage as described in Section 103 of the Internal Revenue Code of 1954, Section 148(f) of the Internal Revenue Code of 1986, (the "Code"), as amended, and all applicable Regulations issued thereunder. The methodology used is consistent with current tax law and regulations and may be relied upon in determining the rebate liability. Certain computational methods used in the preparation of the schedules are described in the Summary of Computational Information and Definitions.

Our engagement was limited to the computation of Rebatable Arbitrage based upon the information furnished to us. In accordance with the terms of our engagement, we did not audit the information provided to us, and we express no opinion as to the completeness, accuracy or suitability of such information for purposes of calculating the Rebatable Arbitrage.

American Municipal Tax-Exempt Compliance Corporation

By _____
William M. Pascucci, President

SUMMARY OF REBATE COMPUTATIONS

Our computations, contained in the attached schedules, are summarized as follows:

For the March 1, 2007 Final Computation Date
Reflecting Activity from September 14, 2006 through March 1, 2007

Bond Yield	3.502723%
* Taxable Investment Yield	4.180311%
Rebatable Arbitrage	\$39,493.23

* The yield is based upon the investment of unspent bond proceeds for the period commencing September 14, 2006, the date of the closing, through March 1, 2007, the Final Computation Date.

SUMMARY OF REBATE EXCEPTIONS

The Regulations provide an exception from rebate for the Project Fund since the proceeds are allocated to expenditures for a governmental purpose of the Issue. In order to qualify for the Eighteen-Month Spending Exception from Rebate, the actual proceeds and earnings must be spent in accordance with the following table:

Period Since Closing	Required Percent	Actual Percent / Amount	
Six Months	15%	16.81%	\$ 846,258.89
Twelve Months *	60%	20.15%	1,014,230.17
Eighteen Months	100%		

* As of March 15, 2007

A rebate liability of \$39,493.23 would exist due to the investment of proceeds in the Project Fund; however, pursuant to the Regulations, the Spending Exception can be applied beyond the Final Computation Date since the District reasonably expected to qualify for the Spending Exception. The District currently qualifies for the Spending Exception.

Should the remaining proceeds, including future interest earnings, be spent in accordance with the table above, the District will qualify for the Spending Exception. We estimate that the District will have to spend approximately \$2,073,000 by September 14, 2007 and the remaining proceeds by March 14, 2008 to qualify for the Spending Exception. Should the Spending Exception be met, the District will be able to retain all income earned and will not be required to rebate any arbitrage profit to the IRS for this Issue.

SUMMARY OF COMPUTATIONAL INFORMATION AND DEFINITIONS

COMPUTATIONAL INFORMATION

1. For the purpose of computing Rebateable Arbitrage, investment activity is reflected from September 14, 2006, the date of the closing, through March 1, 2007, the Final Computation Date. All nonpurpose payments and receipts are future valued to the Final Computation Date of March 1, 2007.
2. For purposes of calculating the Eighteen-Month Spending Exception from Rebate, the available proceeds, which include investment earnings, are measured against the following expenditure schedule following the delivery of the Bonds:

6 months	15%
12 months	60%
18 months	100%

3. Computations of yield are based on a 360-day year and semiannual compounding on the last day of each compounding interval. Compounding intervals end on a day in the calendar year corresponding to Bond maturity dates or six months prior.
4. For purposes of computing arbitrage, interest earnings and yield, the value of the investments, subject to rebate and outstanding at the end of the Computation Period, was as follows:

Project Fund	Value	Accrued Interest	Total
--Balance	\$4,285,913.07	\$656.25	\$4,286,569.32
Totals	\$4,285,913.07	\$656.25	\$4,286,569.32

5. For investment cash flow, debt service and yield computation purposes, all payments and receipts are assumed to be paid or received respectively, as shown on the attached schedules.
6. Purchase prices on investments are assumed to be at fair market value, representing an arm's length transaction.
7. The Debt Service Fund has been established and henceforth maintained to function as a bona fide debt service fund, as defined under the Code, and therefore, is not subject to yield restriction.

DEFINITIONS

8. Final Computation Date

March 1, 2007.

9. Computation Period

The period beginning on September 14, 2006, the date of the closing, and ending on March 1, 2007, the Final Computation Date.

10. Bond Year

Each one-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar year that is selected by the Issuer. If no day is selected by the Issuer before the earlier of the final maturity date of the issue or the date that is five years after the date of issue, each bond year ends at the close of business on the anniversary date of the issuance.

11. Bond Yield

The discount rate that, when used in computing the present value of all the unconditionally payable payments of principal and interest with respect to the Bonds, produces an amount equal to the present value of the issue price of the Bonds. Present value is computed as of the date of issue of the Bonds.

12. Taxable Investment Yield

The discount rate that, when used in computing the present value of all receipts of principal and interest to be received on an investment during the Computation Period, produces an amount equal to the fair market value of the investment at the time it became a nonpurpose investment.

13. Issue Price

The price determined on the basis of the initial offering price to the public at which price a substantial amount of the Bonds were sold.

14. Rebatable Arbitrage

The Code defines the required rebate as the excess of the amount earned on all nonpurpose investments over the amount that would have been earned if such nonpurpose investments were invested at the Bond Yield, plus any income attributable to the excess. Accordingly, the Regulations require that this amount be computed as the excess of the future value of all the nonpurpose receipts over the future value of all the nonpurpose payments. The future value is computed as of the Final Computation Date using the Bond Yield.

15. Funds and Accounts

The Funds and Accounts activity used in the compilation of this Report was received from the Charleston County School District.

METHODOLOGY

Bond Yield

The methodology used to calculate the bond yield was to determine the discount rate that produces the present value of all payments of principal and interest through the maturity date of the Bonds.

Investment Yield and Rebate Amount

The methodology used to calculate the rebatable arbitrage, as of March 1, 2007, was to calculate the future value of the disbursements from all funds, subject to rebate, and the value of the remaining bond proceeds, at the yield on the Bonds, to March 1, 2007. This figure was then compared to the future value of the deposit of bond proceeds into the various investment accounts at the same yield. The difference between the future values of the two cash flows, on March 1, 2007, is the rebatable arbitrage.

\$23,325,000
Charleston County School District, South Carolina
General Obligation Bonds, Series 2006
Delivered: September 14, 2006

Sources of Funds	
-------------------------	--

Par Amount	\$23,325,000.00
Underwriter's Discount	-933.00
Original Issue Premium	53,181.00
Total	\$23,377,248.00

Uses of Funds	
----------------------	--

Project Fund	\$ 4,907,166.97
2005 Escrow Account – Current Refunding	10,582,355.00
2005 Escrow Account – Advanced Refunding	7,887,725.00
Initial Cash Deposit	1.03
Total	\$23,377,248.00

\$23,325,000
 Charleston County School District, South Carolina
 General Obligation Bonds, Series 2006
 Bond Yield Verification

Dated Date	09/14/2006
Delivery Date	09/14/2006
Last Maturity	03/01/2007
Arbitrage Yield	3.502723%
True Interest Cost (TIC)	3.502723%
Net Interest Cost (NIC)	3.508503%
All-In TIC	3.502723%
Average Coupon	4.000000%
Average Life (years)	0.464
Duration of Issue (years)	0.464
Par Amount	23,325,000.00
Bond Proceeds	23,378,181.00
Total Interest	432,808.33
Net Interest	379,627.33
Total Debt Service	23,757,808.33
Maximum Annual Debt Service	23,757,808.33
Average Annual Debt Service	51,214,437.12
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.228000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	23,325,000.00	100.228	4.000%	0.464
	23,325,000.00			0.464

	TIC	All-In TIC	Arbitrage Yield
Par Value	23,325,000.00	23,325,000.00	23,325,000.00
+ Accrued Interest			
+ Premium (Discount)	53,181.00	53,181.00	53,181.00
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	23,378,181.00	23,378,181.00	23,378,181.00
Target Date	09/14/2006	09/14/2006	09/14/2006
Yield	3.502723%	3.502723%	3.502723%

\$23,325,000
 Charleston County School District, South Carolina
 General Obligation Bonds, Series 2006
 Debt Service Requirements

Dated Date 09/14/2006
 Delivery Date 09/14/2006

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/14/2006					
03/01/2007	23,325,000	4.000%	432,808.33	23,757,808.33	23,757,808.33
	23,325,000		432,808.33	23,757,808.33	23,757,808.33

\$23,325,000
 Charleston County School District, South Carolina
 General Obligation Bonds, Series 2006
 Project Fund
 Eighteen-Month Spending Exception from Rebate

SPEND-DOWN SCHEDULE

DATE	DESCRIPTION	AMOUNT	REMAINING BALANCE	% SPENT	CUMULATIVE DISBURSEMENTS
01-11-07		4,397.38	4,628,846.26	8.03	403,966.93
01-11-07		4,397.41	4,624,448.85	8.11	408,364.34
01-11-07		2,150.00	4,622,298.85	8.16	410,514.34
01-18-07		14,128.34	4,608,170.51	8.44	424,642.68
01-25-07		1,766.40	4,606,404.11	8.47	426,389.08
01-25-07		4,227.79	4,602,176.32	8.56	430,616.87
01-25-07		7,020.00	4,595,156.32	8.70	437,636.87
01-25-07		13,482.00	4,581,674.32	8.96	451,118.87
01-25-07		1,275.87	4,580,400.45	8.99	452,394.74
01-25-07		2,923.11	4,577,477.34	9.05	455,317.85
01-25-07		1,116.18	4,576,361.16	9.15	456,434.03
02-01-07		3,967.53	4,572,393.63	9.15	460,401.56
02-01-07		14,615.54	4,557,778.09	9.44	475,017.10
02-01-07		460.00	4,557,318.09	9.45	475,477.10
02-08-07		900.00	4,556,418.09	9.46	476,377.10
02-08-07		118,838.00	4,437,580.09	11.83	595,195.10
02-08-07		54.05	4,437,526.04	11.83	595,249.15
02-08-07		2,531.06	4,435,000.98	11.86	597,780.21
02-08-07		2,531.06	4,432,469.92	11.93	600,311.27
02-08-07		690.00	4,431,779.92	11.94	601,001.27
02-15-07		7,239.00	4,424,540.92	12.08	608,240.27
02-15-07		0.28	4,424,540.64	12.08	608,240.55
02-15-07		0.32	4,424,540.32	12.09	608,240.87
02-15-07		0.54	4,424,539.78	12.09	608,241.41
02-15-07		2.32	4,424,537.46	12.09	608,243.73
02-15-07		9.28	4,424,528.18	12.09	608,253.01
02-15-07		14.57	4,424,513.61	12.09	608,267.58
02-15-07		29.28	4,424,511.33	12.09	608,286.86
02-15-07		138.45	4,424,372.88	12.09	608,425.31
02-15-07		138.45	4,424,234.43	12.09	608,563.76
02-15-07		138.45	4,424,095.98	12.09	608,702.21
02-15-07		138.45	4,423,957.53	12.10	608,840.66
02-15-07		138.45	4,423,819.08	12.10	608,979.11
02-15-07		138.45	4,423,680.63	12.10	609,117.56
02-15-07		138.45	4,423,542.18	12.11	609,256.01
02-15-07		138.45	4,423,403.73	12.11	609,394.46
02-15-07		138.45	4,423,265.28	12.11	609,532.91
02-15-07		138.45	4,423,126.83	12.11	609,671.36
02-15-07		138.45	4,422,988.38	12.12	609,809.81
02-15-07		138.45	4,422,850.93	12.12	609,948.26
02-15-07		138.45	4,422,712.48	12.12	610,086.71
02-15-07		138.45	4,422,574.03	12.12	610,225.16
02-15-07		138.45	4,422,435.58	12.13	610,363.61
02-15-07		138.45	4,422,297.13	12.13	610,502.06

\$23,325,000
 Charleston County School District, South Carolina
 General Obligation Bonds, Series 2006
 Project Fund
 Eighteen-Month Spending Exception from Rebate

SPEND-DOWN SCHEDULE

DATE	DESCRIPTION	AMOUNT	REMAINING BALANCE	% SPENT	CUMULATIVE DISBURSEMENTS
09-14-06	DISBURSEMENTS + REMAINING		4,018,583.02		5,032,813.19
09-14-06		920.00	5,031,663.02	0.02	920.00
09-28-06		17,500.00	5,014,163.02	0.37	18,420.00
10-12-06		7,500.00	5,006,663.02	0.51	25,920.00
10-12-06		2,500.00	5,004,163.02	0.56	28,420.00
11-02-06		800.00	5,003,363.02	0.58	29,220.00
11-02-06		45,218.25	4,958,144.77	1.48	74,438.25
11-02-06		2,647.26	4,955,497.51	1.53	77,085.51
11-02-06		7,500.00	4,948,000.00	1.68	84,585.51
12-19-06		28,334.39	4,919,665.61	2.24	112,919.90
12-19-06		1,467.44	4,918,198.17	2.27	114,387.34
12-28-06		6,308.00	4,911,889.17	2.40	120,695.34
01-04-07		733.72	4,911,155.45	2.41	121,429.06
01-04-07		1,205.40	4,910,000.05	2.44	122,634.46
01-04-07		2,190.83	4,907,809.22	2.48	124,825.29
01-04-07		262.04	4,907,547.18	2.48	125,087.33
01-04-07		681.32	4,906,865.86	2.50	125,768.65
01-04-07		419.27	4,906,446.59	2.51	126,187.92
01-04-07		419.27	4,906,027.32	2.52	126,607.19
01-04-07		366.85	4,905,660.47	2.52	126,974.04
01-04-07		262.04	4,905,398.43	2.53	127,236.08
01-04-07		42,303.99	4,863,094.44	3.37	169,540.07
01-04-07		681.32	4,862,413.12	3.38	170,221.39
01-04-07		7,083.60	4,855,329.52	3.52	177,304.99
01-04-07		8,095.57	4,847,233.95	3.68	185,400.56
01-04-07		19,226.93	4,828,007.02	4.07	204,627.49
01-04-07		8,095.57	4,820,000.45	4.23	212,723.06
01-04-07		5,059.72	4,815,000.73	4.33	217,782.78
01-04-07		14,167.16	4,800,833.57	4.61	231,949.94
01-04-07		23,274.66	4,777,558.91	5.07	255,224.60
01-04-07		13,155.24	4,764,403.67	5.33	268,379.84
01-04-07		13,155.24	4,751,248.43	5.59	281,535.08
01-04-07		5,059.72	4,746,188.71	5.69	286,594.80
01-04-07		48,347.42	4,697,841.29	6.65	334,942.22
01-04-07		838.54	4,697,002.75	6.67	335,780.76
01-04-07		16,191.07	4,680,811.68	6.99	351,971.83
01-04-07		2,503.80	4,678,307.88	7.04	354,475.63
01-04-07		995.76	4,677,312.12	7.06	355,471.39
01-11-07		17,203.03	4,660,109.09	7.40	372,674.42
01-11-07		890.95	4,659,218.14	7.42	373,565.37
01-11-07		12,812.04	4,646,406.10	7.68	386,377.41
01-11-07		4,397.38	4,642,008.72	7.76	390,774.79
01-11-07		4,397.38	4,637,611.34	7.85	395,172.17
01-11-07		4,397.38	4,633,213.96	7.94	399,569.55

\$23,325,000
 Charleston County School District, South Carolina
 General Obligation Bonds, Series 2006
 Project Fund
 Eighteen-Month Spending Exception from Rebate

SPEND-DOWN SCHEDULE

DATE	DESCRIPTION	AMOUNT	REMAINING BALANCE	% SPENT	CUMULATIVE DISBURSEMENTS
02-15-07		138.45	4,422,160.36	12.13	610,652.83
02-15-07		207.68	4,421,952.68	12.14	610,860.51
02-15-07		207.68	4,421,745.00	12.14	611,068.19
02-15-07		207.68	4,421,537.32	12.15	611,275.87
02-15-07		207.68	4,421,329.64	12.15	611,483.55
02-15-07		207.68	4,421,121.96	12.15	611,691.23
02-15-07		207.68	4,420,914.28	12.16	611,898.91
02-15-07		207.68	4,420,706.60	12.16	612,106.59
02-15-07		303.53	4,420,403.07	12.17	612,410.12
02-15-07		319.50	4,419,764.07	12.18	613,049.12
02-15-07		319.50	4,419,444.57	12.19	613,368.62
02-15-07		319.50	4,419,125.07	12.19	613,688.12
02-15-07		319.50	4,418,805.57	12.20	614,007.62
02-15-07		400.00	4,418,486.07	12.21	614,327.12
02-15-07		414.03	4,417,672.04	12.22	615,141.15
02-15-07		414.57	4,417,257.47	12.23	615,555.72
02-15-07		414.57	4,416,842.90	12.24	615,970.29
02-15-07		415.35	4,416,428.33	12.25	616,384.86
02-15-07		415.35	4,415,976.63	12.26	616,800.21
02-15-07		415.35	4,415,524.93	12.27	617,215.56
02-15-07		415.35	4,415,112.28	12.27	617,630.91
02-15-07		415.35	4,414,699.58	12.28	618,046.26
02-15-07		415.35	4,414,286.93	12.29	618,461.61
02-15-07		607.05	4,413,329.23	12.30	618,876.96
02-15-07		607.05	4,412,722.13	12.32	619,484.01
02-15-07		607.05	4,412,115.08	12.33	620,091.06
02-15-07		700.00	4,411,415.08	12.35	620,698.11
02-15-07		720.00	4,410,695.08	12.36	622,118.11
02-15-07		720.00	4,409,975.08	12.38	622,838.11
02-15-07		722.00	4,409,255.08	12.39	623,558.11
02-15-07		722.32	4,408,533.08	12.40	624,280.11
02-15-07		722.32	4,407,810.76	12.42	625,002.43
02-15-07		722.32	4,407,088.44	12.43	625,724.75
02-15-07		722.32	4,406,366.12	12.45	626,447.07
02-15-07		722.32	4,405,643.80	12.46	627,169.39
02-15-07		722.32	4,404,921.48	12.48	627,891.71
02-15-07		722.32	4,404,199.16	12.49	628,614.03
02-15-07		722.32	4,403,476.84	12.50	629,336.35
02-15-07		722.32	4,402,754.52	12.52	630,058.67
02-15-07		722.32	4,402,032.20	12.53	630,780.99
02-15-07		722.32	4,401,309.88	12.55	631,503.31
02-15-07		722.32	4,400,587.56	12.56	632,225.63

\$23,325,000
 Charleston County School District, South Carolina
 General Obligation Bonds, Series 2006
 Project Fund
 Eighteen-Month Spending Exception from Rebate

SPEND-DOWN SCHEDULE

DATE	DESCRIPTION	AMOUNT	REMAINING BALANCE	% SPENT	CUMULATIVE DISBURSEMENTS
02-15-07		729.00	4,399,868.56	12.58	632,954.63
02-15-07		729.28	4,399,139.28	12.59	633,683.91
02-15-07		729.28	4,398,400.00	12.61	634,413.19
02-15-07		729.28	4,397,670.72	12.62	635,142.47
02-15-07		729.28	4,396,941.44	12.63	635,871.75
02-15-07		729.28	4,396,212.16	12.65	636,601.03
02-15-07		729.28	4,395,482.88	12.66	637,330.31
02-15-07		729.28	4,394,753.60	12.68	638,059.59
02-15-07		729.28	4,394,024.32	12.69	638,788.87
02-15-07		729.28	4,393,295.04	12.71	639,518.15
02-15-07		729.28	4,392,565.76	12.72	640,247.43
02-15-07		745.50	4,391,820.26	12.74	640,992.93
02-15-07		1,027.73	4,390,792.53	12.76	642,020.66
02-15-07		5,425.11	4,385,367.42	12.86	647,445.77
02-15-07		1,289.41	4,384,078.01	12.89	648,735.18
02-15-07		601.99	4,383,476.02	12.90	649,337.17
02-15-07		773.84	4,382,702.18	12.92	650,111.01
02-15-07		773.86	4,381,928.32	12.93	650,884.87
02-15-07		773.86	4,381,154.46	12.95	651,658.73
02-15-07		601.99	4,380,552.47	12.96	652,260.72
02-15-07		773.86	4,379,778.61	12.98	653,034.58
02-15-07		602.03	4,379,176.58	12.99	653,636.61
02-15-07		773.86	4,378,402.72	13.00	654,410.47
02-15-07		773.85	4,377,628.87	13.02	655,184.32
02-15-07		773.85	4,376,855.02	13.03	655,958.17
02-15-07		773.86	4,376,081.16	13.05	656,732.03
02-15-07		773.87	4,375,307.29	13.06	657,505.90
02-15-07		773.86	4,374,533.43	13.08	658,279.76
02-15-07		773.86	4,373,759.57	13.09	659,053.62
02-15-07		773.83	4,372,985.74	13.11	659,827.45
02-15-07		10,758.20	4,362,227.54	13.32	670,585.65
02-22-07		4,210.51	4,358,017.03	13.41	674,796.16
02-22-07		300.00	4,357,717.03	13.41	675,096.16
02-22-07		300.00	4,357,417.03	13.42	675,396.16
02-22-07		300.00	4,357,117.03	13.43	675,696.16
02-22-07		300.00	4,356,817.03	13.43	675,996.16
03-01-07		1,263.28	4,355,553.75	13.46	677,259.44
03-01-07		1,147.24	4,354,406.51	13.46	678,406.68
03-01-07		6,821.71	4,347,584.80	13.61	685,228.39
03-01-07		15,033.40	4,332,551.40	13.91	700,261.79
03-01-07		4,506.95	4,328,044.45	14.00	704,768.74
03-01-07		11,695.85	4,316,348.60	14.24	716,464.59
03-01-07		7,857.38	4,308,491.22	14.39	724,321.97
03-01-07		1,888.97	4,306,602.25	14.43	726,210.94
03-01-07		7,753.20	4,298,849.05	14.58	733,964.14

\$23,325,000
 Charleston County School District, South Carolina
 General Obligation Bonds, Series 2006
 Project Fund
 Eighteen-Month Spending Exception from Rebate

SPEND-DOWN SCHEDULE

DATE	DESCRIPTION	AMOUNT	REMAINING BALANCE	SPENT	CUMULATIVE DISBURSEMENTS
03-15-07		10,822.53	4,075,363.97	19.02	957,449.22
03-15-07		13,903.58	4,061,460.39	19.30	971,352.80
03-15-07		11,168.66	4,050,291.73	19.52	982,521.46
03-15-07		11,168.66	4,039,123.07	19.74	993,690.12
03-15-07		14,492.52	4,024,630.55	20.03	1,008,182.64
03-15-07		1,984.76	4,022,645.79	20.07	1,010,167.40
03-15-07		745.00	4,021,900.79	20.09	1,010,912.40
03-15-07		729.28	4,021,171.51	20.10	1,011,641.68
03-15-07		729.28	4,020,442.23	20.11	1,012,370.96
03-15-07		722.32	4,019,719.91	20.13	1,013,093.28
03-15-07		414.57	4,019,305.34	20.14	1,013,507.85
03-15-07		722.32	4,018,583.02	20.15	1,014,230.17

09-14-07 12-MONTH 20.15% SPENT (60% REQUIRED)

03-14-08 18-MONTH 20.15% SPENT (100% REQUIRED)

\$23,325,000
 Charleston County School District, South Carolina
 General Obligation Bonds, Series 2006
 Project Fund
 Eighteen-Month Spending Exception from Rebate

SPEND-DOWN SCHEDULE

DATE	DESCRIPTION	AMOUNT	REMAINING BALANCE	SPENT	CUMULATIVE DISBURSEMENTS
03-01-07		1,938.30	4,286,910.75	14.62	735,902.44
03-01-07		932.41	4,295,978.34	14.64	736,834.85
03-01-07		466.20	4,295,512.14	14.65	737,301.05
03-08-07		54.12	4,295,458.02	14.65	737,355.17
03-08-07		6,381.59	4,289,076.43	14.78	743,736.76
03-08-07		6,381.65	4,282,694.78	14.90	750,118.41
03-08-07		4,085.78	4,278,609.00	14.99	754,204.19
03-08-07		2,545.18	4,276,063.82	15.04	756,749.37
03-08-07		5,185.30	4,270,878.52	15.14	761,934.67
03-08-07		7,938.43	4,262,940.09	15.30	769,873.10
03-08-07		5,435.45	4,257,504.64	15.40	775,308.55
03-08-07		1,579.33	4,255,925.31	15.44	776,887.88
03-08-07		3,372.10	4,252,553.21	15.50	780,259.98
03-08-07		4,817.35	4,247,735.86	15.60	785,077.33
03-08-07		5,861.36	4,241,874.50	15.72	790,938.69
03-08-07		624.69	4,241,249.81	15.73	791,563.38
03-08-07		1,496.00	4,239,753.81	15.76	793,059.38
03-08-07		1,500.00	4,238,253.81	15.79	794,559.38
03-08-07		5,379.10	4,232,874.71	15.89	799,938.48
03-08-07		537.81	4,232,336.90	15.91	800,476.29
03-08-07		537.84	4,231,799.06	15.92	801,014.13
03-08-07		537.81	4,231,261.25	15.93	801,551.94
03-08-07		537.81	4,230,723.44	15.94	802,089.75
03-08-07		537.84	4,230,185.60	15.95	802,627.59
03-08-07		537.81	4,229,647.79	15.96	803,165.40
03-08-07		537.84	4,229,109.95	15.97	803,703.24
03-08-07		537.78	4,228,572.17	15.98	804,241.02
03-08-07		537.84	4,228,034.33	15.99	804,778.86
03-08-07		13,404.27	4,214,630.06	16.26	818,203.13
03-08-07		1,138.27	4,213,491.79	16.28	819,341.40
03-08-07		25,600.60	4,187,891.19	16.79	844,942.00
03-08-07		901.54	4,186,989.65	16.81	845,843.54
03-08-07		415.35	4,186,574.30	16.81	846,258.89

6-MONTH 16.81% SPENT (15% REQUIRED)

03-14-07		6,570.00	4,179,984.30	16.94	852,828.89
03-15-07		2,547.27	4,177,437.03	17.00	855,376.16
03-15-07		2,597.92	4,174,839.11	17.05	857,974.08
03-15-07		58,081.53	4,116,757.58	18.20	916,055.61
03-15-07		541.23	4,116,216.35	18.21	916,596.84
03-15-07		12,270.75	4,103,945.60	18.46	928,867.59
03-15-07		10,890.34	4,093,055.26	18.67	939,757.93
03-15-07		487.11	4,092,568.15	18.68	940,245.04
03-15-07		6,381.65	4,086,186.50	18.81	946,626.69

\$23,325,000
 Charleston County School District, South Carolina
 General Obligation Bonds, Series 2006
 Escrow Fund

ARBITRAGE REBATE CALCULATION
 DETAIL REPORT

DATE	DESCRIPTION	RECEIPTS (PAYMENTS)	FUTURE VALUE AT BOND YIELD (OF 3.502723%)	FUTURE VALUE AT BOND YIELD (OF 3.502723%)
09-14-06	STARTING BALANCE:			7,887,725.00
03-01-07	EF Present Value	8,015,804.52	8,015,804.52	8,015,810.06
03-01-07	TOTAL:	8,015,804.52	8,015,804.52	8,015,810.06
03-01-07	REBATABLE ARBITRAGE (AT INVSTMNT YIELD OF 3.502571%)			-5.94

\$23,325,000
 Charleston County School District, South Carolina
 General Obligation Bonds, Series 2006
 Escrow Fund Yield Verification

Date	Cashflow	Present Value to 09/14/2006 @ 3.502571%
05/17/2007	8,074,778.78	7,887,725.00
	8,074,778.78	7,887,725.00

Summary

Valuation date	09/14/2006
Amount	7,887,725.00
Target for Yield calculation	7,887,725.00

421,325,000
 Charleston County School District, South Carolina
 General Obligation Bonds, Series 2006
 Arrow Fund Present Value Calculation

Date	Cashflow	Present Value to 03/01/2007 # 3.5025713%
05/17/2007	8,074,778.78	8,015,804.52
	8,074,778.78	8,015,804.52

Summary

Valuation date	03/01/2007
Amount	8,015,804.52
Target for yield calculation	8,015,804.52

REBATE REPORT

\$4,100,000

North Padre Island Development Corporation

**(a not-for-profit local government corporation acting on
behalf of the City of Corpus Christi, Texas)**

Tax Increment Contract Revenue Bonds Series 2004

Dated: October 20, 2004

Delivered: October 20, 2004

**Prepared By
Amtec
October 6, 2006**

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ARBITRAGE REBATE REPORT

\$4,100,000

North Padre Island Development Corporation

(a not-for-profit local government corporation acting on
behalf of the City of Corpus Christi, Texas)

Tax Increment Contract Revenue Bonds
Series 2004

Dated: October 20, 2004

Delivered: October 20, 2004

Rebate Report to the Computation Date

October 19, 2009

Reflecting Activity To

July 31, 2006

We have prepared certain computations relating to the above captioned bond issue (the "Bonds") at the request of the City of Corpus Christi, Texas.

The scope of our engagement consisted of preparation of the computations shown in the attached schedules to determine the Rebatable Arbitrage as described in Section 103 of the Internal Revenue Code of 1954, Section 148(f) of the Internal Revenue Code of 1986, (the "Code"), as amended, and all applicable Regulations issued thereunder. The methodology used is consistent with current tax law and regulations and may be relied upon in determining the rebate liability. Certain computational methods used in the preparation of the schedules are described in the Summary of Computational Information and Definitions.

Our engagement was limited to the computation of Rebatable Arbitrage based upon the information furnished to us. In accordance with the terms of our engagement, we did not audit the information provided to us, and we express no opinion as to the completeness, accuracy or suitability of such information for purposes of calculating the Rebatable Arbitrage.

American Municipal Tax-Exempt Compliance Corporation

By _____

William M. Pascucci, President

SUMMARY OF REBATE COMPUTATIONS

Our computations, contained in the attached schedules, are summarized as follows:

For the October 19, 2009 Computation Date
Reflecting Activity from October 20, 2004 through July 31, 2006

Bond Yield	7.401264%
* Taxable Investment Yield	3.106334%
Rebatable Arbitrage	\$(82,542.29)

- * The yield is based upon the investment of unspent bond proceeds for the period commencing October 20, 2004, the date of the closing, through July 31, 2006.

Based upon our computations, no rebate liability exists.

SUMMARY OF COMPUTATIONAL INFORMATION AND DEFINITIONS

COMPUTATIONAL INFORMATION

1. For the purpose of computing Rebatale Arbitrage, investment activity is reflected from October 20, 2004, the date of the closing, through July 31, 2006, the Computation Period. All nonpurpose payments and receipts are future valued to the Computation Date of October 19, 2009.
2. Computations of yield are based on a 360-day year and semiannual compounding on the last day of each compounding interval. Compounding intervals end on a day in the calendar year corresponding to Bond maturity dates or six months prior.
3. For purposes of computing arbitrage, interest earnings and yield, the value of the investments, subject to rebate and outstanding at the end of the Computation Period, was as follows:

Project Fund	Value	Accrued Interest	Total
--Money Market	\$710,816.75	\$3,018.86	\$713,835.61
Total	\$710,816.75	\$3,018.86	\$713,835.61

4. For investment cash flow, debt service and yield computation purposes, all payments and receipts are assumed to be paid or received respectively, as shown on the attached schedules.
5. Purchase prices on investments are assumed to be at fair market value, representing an arm's length transaction.
6. The Debt Service Fund has been established and henceforth maintained to function as a bona fide debt service fund, as defined under the Code, and therefore, is not subject to yield restriction.

DEFINITIONS

7. Computation Date

October 19, 2009.

8. Computation Period

The period beginning on October 20, 2004, the date of the closing, and ending on July 31, 2006.

9. Bond Year

Each one-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar year that is selected by the Issuer. If no day is selected by the Issuer before the earlier of the final maturity date of the issue or the date that is five years after the date of issue, each bond year ends at the close of business on the anniversary date of the issuance.

10. Bond Yield

The discount rate that, when used in computing the present value of all the unconditionally payable payments of principal and interest with respect to the Bonds, produces an amount equal to the present value of the issue price of the Bonds. Present value is computed as of the date of issue of the Bonds.

11. Taxable Investment Yield

The discount rate that, when used in computing the present value of all receipts of principal and interest to be received on an investment during the Computation Period, produces an amount equal to the fair market value of the investment at the time it became a nonpurpose investment.

12. Issue Price

The price determined on the basis of the initial offering price to the public at which price a substantial amount of the Bonds were sold.

13. Rebatable Arbitrage

The Code defines the required rebate as the excess of the amount earned on all nonpurpose investments over the amount that would have been earned if such nonpurpose investments were invested at the Bond Yield, plus any income attributable to the excess. Accordingly, the Regulations require that this amount be computed as the excess of the future value of all the nonpurpose receipts over the future value of all the nonpurpose payments. The future value is computed as of the Computation Date using the Bond Yield.

14. Funds and Accounts

The Funds and Accounts activity used in the compilation of this Report was received from the City of Corpus Christi, Texas and JPMorgan Bank, the Trustee, as follows:

Fund	Account Number
Project	10205189.4
Debt Service	10205189.2

METHODOLOGY

Bond Yield

The methodology used to calculate the bond yield was to determine the discount rate that produces the present value of all payments of principal and interest through maturity.

Investment Yield and Rebate Amount

The methodology used to calculate the rebatable arbitrage, as of July 31, 2006, was to calculate the future value of the disbursements from all funds, subject to rebate, and the value of the remaining bond proceeds, at the yield on the Bonds, to October 19, 2009. This figure was then compared to the future value of the deposit of bond proceeds into the various investment accounts at the same yield. The difference between the future values of the two cash flows, on October 19, 2009, is the rebatable arbitrage.

\$4,100,000
North Padre Island Development Corporation Issue
Tax Increment Contract Revenue Bonds
Series 2004
Delivered: October 20, 2004

Sources of Funds

Par Amount	\$4,100,000.00
Underwriter's Discount	-183,500.00
Total	\$3,916,500.00

Uses of Funds

Project Fund	\$3,916,500.00
Total	\$3,916,500.00

\$4,100,000
North Padre Island Development Corporation Issue
Tax Increment Contract Revenue Bonds
Series 2004
Bond Yield Verification

Dated Date	10/20/2004
Delivery Date	10/20/2004
Last Maturity	09/15/2022
Arbitrage Yield	7.401264%
True Interest Cost (TIC)	7.401264%
Net Interest Cost (NIC)	7.400000%
All-In TIC	7.401264%
Average Coupon	7.400000%
Average Life (years)	13.195
Duration of Issue (years)	8.417
Par Amount	4,100,000.00
Bond Proceeds	4,100,000.00
Total Interest	4,003,502.78
Net Interest	4,003,502.78
Total Debt Service	8,103,502.78
Maximum Annual Debt Service	644,400.00
Average Annual Debt Service	452,639.41
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Term Bond	4,100,000.00	100.000	7.400%	13.195
	4,100,000.00			13.195

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,100,000.00	4,100,000.00	4,100,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	4,100,000.00	4,100,000.00	4,100,000.00
Target Date	10/20/2004	10/20/2004	10/20/2004
Yield	7.401264%	7.401264%	7.401264%

\$4,100,000
North Padre Island Development Corporation Issue
Tax Increment Contract Revenue Bonds
Series 2004
Debt Service Requirements

Dated Date 10/20/2004
Delivery Date 10/20/2004

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/20/2004					
03/15/2005			122,202.78	122,202.78	
09/15/2005			151,700.00	151,700.00	273,902.78
03/15/2006			151,700.00	151,700.00	
09/15/2006			151,700.00	151,700.00	303,400.00
03/15/2007			151,700.00	151,700.00	
09/15/2007			151,700.00	151,700.00	303,400.00
03/15/2008			151,700.00	151,700.00	
09/15/2008			151,700.00	151,700.00	303,400.00
03/15/2009			151,700.00	151,700.00	
09/15/2009			151,700.00	151,700.00	303,400.00
03/15/2010			151,700.00	151,700.00	
09/15/2010	200,000	7.400%	151,700.00	351,700.00	503,400.00
03/15/2011			144,300.00	144,300.00	
09/15/2011	300,000	7.400%	144,300.00	444,300.00	588,600.00
03/15/2012			133,200.00	133,200.00	
09/15/2012	200,000	7.400%	133,200.00	333,200.00	466,400.00
03/15/2013			125,800.00	125,800.00	
09/15/2013	200,000	7.400%	125,800.00	325,800.00	451,600.00
03/15/2014			118,400.00	118,400.00	
09/15/2014	300,000	7.400%	118,400.00	418,400.00	536,800.00
03/15/2015			107,300.00	107,300.00	
09/15/2015	100,000	7.400%	107,300.00	207,300.00	314,600.00
03/15/2016			103,600.00	103,600.00	
09/15/2016	200,000	7.400%	103,600.00	303,600.00	407,200.00
03/15/2017			96,200.00	96,200.00	
09/15/2017	300,000	7.400%	96,200.00	396,200.00	492,400.00
03/15/2018			85,100.00	85,100.00	
09/15/2018	400,000	7.400%	85,100.00	485,100.00	570,200.00
03/15/2019			70,300.00	70,300.00	
09/15/2019	300,000	7.400%	70,300.00	370,300.00	440,600.00
03/15/2020			59,200.00	59,200.00	
09/15/2020	500,000	7.400%	59,200.00	559,200.00	618,400.00
03/15/2021			40,700.00	40,700.00	
09/15/2021	500,000	7.400%	40,700.00	540,700.00	581,400.00
03/15/2022			22,200.00	22,200.00	
09/15/2022	600,000	7.400%	22,200.00	622,200.00	644,400.00
	4,100,000		4,003,502.78	8,103,502.78	8,103,502.78

\$4,100,000
North Padre Island Development Corporation Issue
Tax Increment Contract Revenue Bonds
Series 2004
Project Fund

ARBITRAGE REBATE CALCULATION
DETAIL REPORT

DATE	DESCRIPTION	RECEIPTS (PAYMENTS)	FUTURE VALUE AT BOND YIELD (OF 7.401264%)	FUTURE VALUE AT BOND YIELD (OF 7.401264%)
10-20-04	STARTING BALANCE:			3,916,500.00
10-20-04		46,500.00	66,861.99	3,916,500.00
10-20-04		3,000.00	4,313.68	3,916,500.00
10-20-04		104,878.97	150,804.66	3,916,500.00
10-21-04		2,866.12	4,120.34	3,917,290.73
10-28-04		-500.00	-717.79	3,922,830.35
11-15-04	Partial w/ 03	3,083,093.63	4,410,839.04	3,936,316.33
11-16-04		7,500.00	10,727.74	3,937,111.07
07-31-06	MMkt Bal	710,816.75	898,198.56	4,456,662.91
07-31-06	MMkt Acc	3,018.86	3,814.68	4,456,662.91

10-19-09	TOTAL:	3,961,174.33	5,548,962.90	5,631,505.19

10-19-09	REBATABLE ARBITRAGE (AT INVSTMT YIELD OF 3.106334%)			-82,542.29

A P P E N D I X

**Amtec's Professional Opinion for the City of Fort Lauderdale
Regulatory and Mathematical Accuracy of Amtec's Methodology**

A-2

A-3

Sample Rebate Reports

**\$23,325,000 Charleston County School District, South Carolina,
General Obligation Bonds, Series 2006**

**\$4,100,000 North Padre Island Development Corporation (a not-for-profit local
government corporation acting on behalf of the City of Corpus Christi, Texas)
Tax Increment Contract Revenue Bonds, Series 2004**

CITY OF FORT LAUDERDALE GUARANTEED FEE SCHEDULE

5. A Fee Preamble

We are aware that the City may receive larger fees for its rebate computations. Our clients ask how we can provide our services for a fraction of the fees that others charge. There is no secret: we are very specialized and extremely efficient. We assure you that we understand your bond issues and our business. This is evidenced by our multiple years of service to more than 2,300 engagements. Before these clients engaged Amtec as rebate computation consultant, many paid fees that were two to three times greater than those they pay Amtec today. Each of these clients is very pleased with Amtec's service.

Executive Overview

In order to provide comprehensive computation and consulting services for the City's issues, we have developed a comprehensive and guaranteed fee schedule. The fees are listed by issue and by fiscal year and represent 100% of the fees to be charged.

Amtec's Pricing Philosophy

We have developed a fee structure that is easy to apply and equitable to the City and Amtec. In the fee table that follows, we have indicated a "FY 2007 catch-up fee," which has been deeply discounted and an annual fee per issue, which is guaranteed for the entire contract period.

Some of the City's issues are in need of "Catch-Up Calculations." Catch-Up Calculations begin on the delivery date of the bonds or the last rebate report date for each issue. These calculations will be completed as of June 30, 2007. The fee associated with these Catch-Up and Review Calculations is guaranteed to be \$4,400. Following the catch-up calculations, the aggregate annual fee for FY 2007 is \$3,400. These fees are allocated to each bond issue on the following page.

If no fee is indicated in the fee table and rebate computations are required, no fee will be assessed.

Spending Exceptions

We have included additional spending tests at the six-month and eighteen-month marks for Construction Issues. No fee will be assessed for these important intra-year tests.

Summary

We will bring all issues current as of June 30, 2007. Following these initial calculations, we will prepare formal rebate reports as of September 30, 2007 and annually thereafter as of each September 30 and on each five year Computation Date.

We have allocated a fee to each Issue in the fee schedule. If no fee is indicated, computations will be completed for no fee. If a rebate report is scheduled in the future and the bond proceeds have been spent during the previous fiscal year, no fee will be charged in any fiscal year following the final expenditure of the bond proceeds.

**City of Fort Lauderdale
Fee Schedule**

Principal Issued	Dated/Description	FY 2007 Catch-Up	Annual Fee
General Obligation Bonds			
\$ 20,000,000	06/15/05 Series 2005	\$ 600	\$ 600
28,660,000	11/26/02 Series 2002 (Refunding)	500	one-time fee
25,970,000	10/08/98 Series 1998 (Refunding)	0	0
Subtotal		1,100	600
Excise Tax Improvement Bonds			
6,070,000	09/02/98 1998 Series A (Refunding)	0	0
6,045,000	09/02/98 Series B	0	0
12,000,000	12/17/98 Series C	600	600
Subtotal		600	600
Tax Increment Bonds			
4,415,000	01/22/03 Series 2003 A (Refunding)	500	one-time fee
195,000	01/22/03 Series 2003 B (Non-AMT)	0	0
12,500,000	01/29/04 Series 2004 A (Non-AMT)	600	600
5,500,000	01/29/04 Series 2004 B (AMT)	0	0
Subtotal		1,100	600
Sanitation Revenue Loan			
5,740,000	09/22/00 Series 2000	0	0
Subtotal		0	0
Water & Sewer Revenue Bonds			
90,000,000	03/20/03 Series 2003	800	800
100,000,000	10/04/06 Series 2006	800	800
Subtotal		1,600	1,600
Guaranteed Maximum Fee All Issues		\$4,400	\$3,400

Footnotes

- “Catch-Up Calculations” are necessary for each issue where indicated.
- Annual Calculations will only be billed in the years that bond proceeds remain unspent.
- Fees will not be assessed in the years marked as \$0.

(Refunding) A one-time fee has been included for a review of the Refunding Verification Report for active issues, creation of transferred proceeds schedules, if applicable, and the preparation of the rebate liability based on the Escrow Fund and related activity.

Specifically state additional fees charged for the following:

	Service Requested	Amtec's Fee
A.	Yield Restriction Analyses	\$0
B.	Commingled Funds Analyses	\$0
C.	Transferred Proceeds Analyses	\$0
D.	Variable Rate Issues	\$0
E.	Periods in Excess of Twelve Months	\$0

F. Describe how you would propose to handle and bill for amending your calculations if new regulations require amending previous calculations.

Amtec would not assess any fee for amending a rebate calculation as a result of changes in the Regulations.

6. Amtec does not charge any additional fee for the following:

- Follow-up consultation and services after completion of the arbitrage calculation.
- Amending calculations if new regulations require a restatement of any previous computation.
- Planned travel to the City.

There are no other than what is in the Fee Schedule on page 27.

Amtec fees are guaranteed not to change during the term of this engagement.

Cost to City - ON A PER ISSUE BASIS:

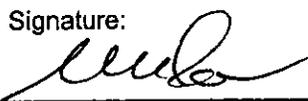
	Costs for Initial Calculation	Costs for Subsequent Yrs. Calculations
A. Initial Review Fees - If any:	\$0.00	N/A
B. Engagement Fee	\$0.00	\$0.00
C. Base Fee Fixed Rate Debt (per report)	0.00	0.00
D. Variable Rate Debt Fee	0.00	0.00
E. Transferred Proceeds Analysis Fee	0.00	0.00
F. Commingled Funds Analysis Fee	0.00	0.00
G. Yield Restriction Analysis Fee	0.00	0.00
H. Extra Periods Fee	0.00	0.00
I. Other "Per Issue" Expenses (list/describe)	0.00	0.00
<u>Initial Catch-Up Fee - See Details on page 27</u>	4,400.00	
<u>Annual Fees commencing 9/30/07 - See Details on page 27</u>		3,400.00
Total 'Per Issue' Fees	\$4,400.00	\$3,400.00

Other Related Expenses associated with Services - **On a Per Visit Basis:** Including any visits required for IRS audits. Please provide in detail all additional costs related to travel. Other reasonable misc. expenses such as travel, phone, faxes and photocopying shall be based on submitted receipts in accordance with the City's rules and policies.

<u>None - See details page 28</u>	\$0.00	\$0.00
Total Other Related Costs NTE:	\$0.00	\$0.00

TOTAL COSTS NOT TO EXCEED PER ISSUE/VISIT BASIS **\$4,400.00** **\$3,400.00**

Note: The City will reimburse all travel expenses in accordance with the City's rules and policies.

Signature: 

Date: 19-Jun-07